

THE AWARD-WINNING INDEPENDENT: EDITOR OF THE YEAR, CORRESPONDENT OF THE YEAR

THE INDEPENDENT

No 3,878

WEDNESDAY 24 MARCH 1999

(1RS0p) 45p

NEW BUSINESS REVIEW

THE STAGECOACH KID GROWS UP THE CYBERPUNKS FROM YAHOO! PLUS NEWS, ANALYSIS, INVESTMENT ADVICE

WEDNESDAY REVIEW
BUSINESS REVIEW
3-SECTION PAPER

Defiant Serbs torch villages as Europe braces itself for war

KOSOVO WAS where the 20th century's final cycle of Balkan wars began. Now Kosovo is where they will end; not with a peace agreement but, surely now, with the first attack by Nato on a sovereign state in its 50-year history - and, if the worst comes to the very worst, with the first major European land war since 1945.

Last night, as Serb forces continued to sack Albanian villages, the final realistic chance of averting allied airstrikes against Yugoslav targets vanished as first President Slobodan Milosevic, and then the Serbian parliament, rejected demands for a ceasefire and the deployment of a Nato-led international peacekeeping force in the Serbian province.

In further confirmation that war might be at hand, Vukobratovic, the Russian Prime Minister, cancelled a visit to the United States which was due to start last night. The onslaught, which the White House said would be "swift and substantial", could be unleashed as soon as early today.

In a grim interview as he left Belgrade for Brussels to report back to Nato, the US envoy, Richard Holbrooke, made no bones of the failure of his last-ditch mission. The circumstances, he declared, were "the bleakest" he had known in his experience of negotiating in the Balkans.

That experience began in 1995, when Mr Holbrooke took the Bosnia crisis in hand, browbeat Mr Milosevic and the other protagonists to the conference table in Dayton, Ohio, and secured a peace which has turned Bosnia into a virtual Nato protectorate. Alas, Kosovo was omitted then. Four years on it has turned into perhaps the gravest Balkan conflict of all.

Mr Holbrooke said that yesterday's talks had been a "watershed moment", after nearly a year of unavailing Western efforts to broker a settlement between ethnic Albanians and Serbs. The Yugoslav President did not want even to discuss either the ceasefire or the foreign peacekeeping force, and "fully understood" the consequences of that refusal, he added. In other words, the time for talking has run out.

That, too, was the message from Western capitals. In the Commons, Tony Blair warned that 65,000 more Kosovars had been driven from their homes by the Serb offensive. The West had made a solemn promise to the ethnic Albanians, and would not permit a new humanitarian disaster in Kosovo. Nor would it tolerate further repression by Belgrade that would probably drag Albania, Macedonia and Bosnia - perhaps Greece and Turkey, too - into "disintegration, chaos and disorder on the doorstep of the European Union".

Later, the Prime Minister even more plainly donned the mantle of commander-in-chief, addressing "those British pilots who may be called into action, their families... all those people who are part of the armed forces... I would not ask them to undertake this if I did not believe it was necessary".

In Washington, the mood was equally sombre. Congressional

BY RUPERT CORNWELL

almost mocking intransigence, earlier waverers in the alliance - such as Italy, Germany and Greece - seem to have thrown their weight, however reluctantly, behind airstrikes.

"Nato is now united and prepared to carry out its warning," President Clinton said. "If President Milosevic is not willing to make peace, we are willing to limit his ability to make war."

The threat has been heard a dozen times; this time, however, it rang true - perhaps explaining why the Yugoslav leader yesterday sacked his army's security chief. Analysts saw the step as confirmation of a purge of senior officers opposed to a confrontation with the West.

Last night, the main political factor staying Nato's hand disappeared when Mr Primakov, leader of the country which is Belgrade's staunchest ally and categorically opposed to Nato airstrikes, called off his US visit. To have launched attacks at the very moment that Mr Primakov was in the Oval Office would have been an insult which even the present state of the US's relations with its former superpower rival would hardly justify.

Otherwise, military preparations are virtually complete. The hope now is that one crushing blow against key military installations will suffice to convince President Milosevic to change his mind and accept the international peacekeepers.

If not, matters could quickly escalate, even to the point where a Nato ground invasion - something the allies have vowed they will never do - was the only option left. That is a nightmare scenario which no leader in the alliance has yet publicly confronted, but was implicit in the warning of one Nato defence minister visiting London yesterday: "Kosovo is not Bosnia. It needs a political solution, a military solution does not exist."

But in the end, that solution will be up to Mr Milosevic. In 1987, as an ambitious younger member of the Serbian Communist Party's central committee, he went to Kosovo, the spiritual cradle of Serbia, and made the speech that launched today's Serbian nationalism. Two years later he stripped Kosovo, and the 90 per cent ethnic Albanian majority of its population, of its autonomy. By then, Croatia, Slovenia and Bosnia had read the Serb writing on the wall, and left Yugoslavia. But Kosovo, where it all started, remained a tightly controlled part of Serbia. Now, in the last Balkan war, Serbia may lose even its heart.



A Serb policeman in the Drenica region of Kosovo during clashes with Albanian rebels yesterday. Srdjan Ilic/AP

'We're waiting for the bombs'

BY EMMA DALY
in Pristina

WAR CAME to the capital of Kosovo yesterday for the first time since the conflict began in the rolling hills a year ago, as Serb police surrounded Albanian neighbourhoods, smashed down doors in search of weapons and beat any men unlucky enough to be found.

Pristina was crawling with armed police. We decided to drive north. A few miles away, we spotted houses ablaze on the hillside and stopped, just as 50-odd dilapidated army vehicles rolled by. A soldier in a black mask, atop an armoured personnel carrier, flashed us the three-fingered Serb salute. He was all smiles. But then a car screeched to a halt and out jumped a civilian armed with a Kalashnikov. "It's OK," we said, as calmly as possible. "We're journalists." He inspected our Yugoslav press cards, and then waved us on.

Fear is not confined to the Albanian population in Kosovo. The Serb minority lives here in terror of the KLA. But most of the victims are Albanian. The red-tiled houses on the southern edge of Pristina were emptying last as families left, carrying back-packs and plastic bags, to the sound of artillery booming to the west.

But Mustafa Pacoli lay under a blanket, unable to move after a visit from the police. He is 62.

"They hit him on the head with that," his daughter Sevdije said, pointing to a small wooden table. "They were shouting, 'Where are your sons? Where is your gun? Your sons are in the KLA.'"

Back in Pristina, two Serb policemen killed by the Albanians were buried. "The situation is explosive, everyone is waiting for the [Nato] bombing," said Malik Gashi, at the funeral of Armand Kelmendi, an Albanian killed in a retaliatory attack on a cafe.

"When the Serbs leave a place they always destroy it first... I'm afraid they will do it in Kosovo."

INSIDE



- Clinton: agony of Kosovo must end page 12
- Balkan tinderbox? page 13
- Blair statement page 8
- Anne McElvoy Review, page 3

INSIDE THIS SECTION

IRA release goes ahead
Belfast court rejected case for delaying release of IRA men
Home P2

Awareness report response
Jack Straw promised to build an anti-racist society
Home P4

Outside promoter for RoH
A commercial promoter will stage a Royal Ballet season
Home P5

Berlin summit
Two days of horse-trading by EU leaders begins today
Foreign P14

Indonesia anarchy
Western Borneo was in a state of anarchy last night
Foreign P15

Politician assassinated
Paraguay in turmoil after death of Luis Maria Argana
Foreign P16

Scottish media takeover
Takeover of Scottish Media Group moved a step closer
Business P17

Lloyd to go
England cricket coach David Lloyd is to step down
Sport P28

INSIDE THE WEDNESDAY REVIEW

Anne McElvoy
Kosovo is part of Europe, which is why we must fight to save it from Milosevic
Comment P3

Hugh O'Shaughnessy
Pinocchio's humiliation and punishment has already begun
Comment P4

You ask the questions
Keith Hellawell, drugs czar, answers readers' questions on punishment and prostitution
Features P8

Costume Oscars
On one night of the year, the clothes do make the woman
Fashion P9

THE INDEPENDENT AIRMAIL

Country	Rate	Country	Rate
USA	£6.00	Japan	£11.00
Canada	£6.00	South Africa	£6.00
UK	£2.00	USA (air)	£11.00
...

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TODAY'S TELEVISION
BACK PAGE

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■ FILM ANTHONY
QUINN REVIEWS 'GODS
AND MONSTERS' AND
'AMERICAN HISTORY X'
■ PLUS LAWLabour bans
poll criticisms

TONY BLAIR was engulfed in a new row over "control freakery" last night after the Labour leadership decided that candidates who complained about the running of internal party elections could be disqualified.

Labour's ruling National Executive Committee (NEC) agreed to bring in a new code of conduct for party elections to prevent disputes over their handling becoming public.

The move comes after allegations that running totals of how votes were being cast in last year's elections to the NEC, and the recent battle to become Labour's leader in Wales, were leaked to national party bosses during the ballot, enabling pro-Blair candidates to maximise their votes.

Four left-wing members of the NEC voted against the reforms. Liz Davies, one of the four, said: "There are several stipulations which are wholly

BY ANDREW GRICE
Political Editor

unnecessary restrictions on the democratic rights of Labour Party members. This is part of the drive to silence dissent."

The left-wingers also criticised the NEC's decision yesterday to suspend the constituency party in Newark, Nottinghamshire, after the conviction last week of Fiona Jones for making false declarations on her general election expenses.

Mark Seddon, a left-wing NEC member, said: "It is not a good idea to close down the Newark Labour Party. The whistleblowers should not be disciplined."

But Vic Hall, secretary of the Newark Labour Party until its suspension, said: "This is the news we were waiting for. It means the party can move forward and mount an effective campaign in the elections."



Chris Milford absailing in the nave at St Mary and the Virgin church in Marden, Gloucestershire. He and a colleague, Norman Stanier, from the firm Walkwalkers, are to repaint the interior, parts of which date to Norman times. PA

Bid to
halt IRA
releases
rejected

THE HIGH COURT in Belfast

BY DAVID MCKITTRICK
Ireland Correspondent

yesterday rejected a Home Office attempt to block the release of four high-profile IRA prisoners, including the Brighton bomber Patrick Magee.

The ruling appeared to avert a confrontation between the Government and Sinn Féin which had reacted angrily to the move and could have resulted in the extension of Magee's sentence by a year or more.

Mr Justice Givan said there was no question that the Northern Ireland Sentencing Review Commission had acted in bad faith by sanctioning the release of the four men under the terms of the Good Friday Agreement.

The judge said the wisdom or fairness of the 1998 Northern Ireland Sentencing Act, which set up the early release scheme, was not a matter for the court. "History will be the ultimate judge," he added.

He found that the Sentencing Review Commission's decision was "totally reasoned and carefully formulated". "Whether one agrees with the final decision or not is irrelevant in this case," he said. "It has not been demonstrated that they misunderstood their function."

Magee, who was due to be released in June but three others - Paul Kavanagh, Thomas Quigley and Gerard McDonnell - were due to have been released yesterday. Quigley, Kavanagh and McDonnell are being held in the top security Maze prison, but it was not immediately clear if they would now qualify for immediate release.

Angela Ritchie, the solicitor for the four republicans, said that the governor of the Maze was now awaiting confirmation from the authorities before setting three of them free. Hopefully they will be released as soon as possible. There should be no legal impediment to that happening now," she said.

Bernard McCloskey, representing the Home Secretary Jack Straw, is considering whether or not the Government should appeal against the decision.

For the Tories, Lord Tebbit - who, with his wife, was seriously injured in the Brighton bombing - claimed the Government's decision to refer the matter to the courts showed that its policy was in disarray. He said it was "total incompetence that after all this time since we enacted the legislation to let all these criminals out of prison, that the Home Office should suddenly discover and apparently not even tell the Northern Ireland Office that they thought there was a flaw in it so far as the release of criminals convicted on the mainland were concerned."

The High Court ruling came after a day of political impasse in which a further meeting between David Trimble and Gerry Adams in Belfast failed to make progress. The Ulster Unionist leader said all he had heard from the Sinn Féin president was "simple reiteration" of the republican position that de-commissioning would not be forthcoming.

In Castlewellan, Co Down, a Catholic man was injured when a grenade exploded at a scrapyard. Responsibility for the attack was claimed by the loyalist Orange Volunteers.

Teacher fined over
classroom explosion

A TEACHER was yesterday

fined £250 and ordered to pay £4,232 costs for a classroom accident which left himself and four pupils injured.

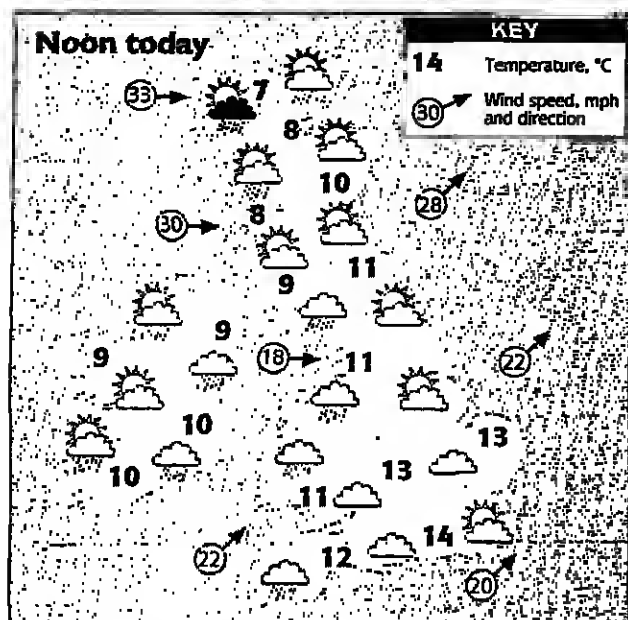
Brian Watkins, 52, was demonstrating last April how to make a screwdriver handle using molten aluminium when there was an explosion, magistrates at Newport, Gwent, were told.

The design and technology teacher at Duffryn High School in Newport suffered injuries to an eye and an arm, and four sixth-form boys were splashed with molten metal. None of the pupils was seriously hurt.

Watkins, who denied the charge, was convicted of breaching the Health and Safety at Work Act by failing to take reasonable care of himself and others. No one in the classroom was wearing protective clothing.

The teacher has since retired due to ill-health.

BRITAIN TODAY



FORECAST

General situation: Northern England, Wales and south-west England will be mild but mostly cloudy with outbreaks of rain, including some heavier bursts over the hills. The Midlands, East Angles and south-east England will be mostly dry and mild with breaks in the cloud to allow sunny spells, the best of them in the far east. Overnight rain will clear southern Scotland to leave all of Scotland and Northern Ireland with a blustery mix of sun and showers, the showers most frequent in the west.

London, SE & East S England, E Angles, Midlands, E England: Mild and cloud with breaks to allow sunny spells. A moderate south-westerly wind. Max temp 15-16°C (55-57°F).

NW England, Wales, Lake Dist, Isle of Man: Mostly cloudy with rain moving in, heaviest on hills. A moderate south-westerly wind. Max temp 11-14°C (52-57°F).

Channel Is, SW England: Increasingly cloudy with patchy light rain. A moderate south-westerly wind. Max temp 11-14°C (52-57°F).

East N & NE England: A few sunny breaks at first but cloud will increase bringing some rain. A fresh south-westerly wind. Max temp 11-14°C (52-57°F).

NW & NE Scotland, Aberdeen, N Isles: Any overnight rain will become confined to the Northern Isles. Other areas will have sunny spells and blustery showers. A strong west to south-westerly wind. Max temp 9-12°C (48-54°F).

SE & SW Scotland, Edinburgh, Glasgow, W Isles: Early rain will clear to leave sunny spells and showers, the showers most frequent in the west. A fresh west to south-westerly wind. Max temp 9-12°C (48-54°F).

N Ireland: Early rain will clear to leave sunny spells and blustery showers. A fresh west to south-westerly wind. Max temp 9-12°C (48-54°F).

OUTLOOK

Scotland and Northern Ireland will be cool and windy with sharp showers. Central and south-eastern England will have rain but elsewhere it will gradually brighten up. After a cold but sunny start rain will spread across Scotland and Northern Ireland on Friday, other areas will also cloud over.

TRAVEL

London: A12 Green Lane Roundabout, Leytonstone. Major roadworks on new M11 link road. Until 31st December. Bristol: M5 J16-19. Motor Roadworks on Avonmouth Bridge. Until 23rd June 2001. Warwickshire: M42 Junction 10 Tamworth services and 29 Sutton Coldfield. Roadworks and contrailway. Until 23rd April. South Yorkshire: M18 Between J24 Tinsley Viaduct (A6109) & J34 Tinsley Viaduct (A6178). Sheffield. Camagway is reduced to two lanes. southbound. Until 21st November 2000. Gloucestershire: A40 Lansdown Rd.

Cherttenham. Closed due to roadworks inbound. Diversions in place. Until 1st June. Co. Antrim: A1 Kingsway, Durnurry. Roadworks, various lane restrictions. Until 1st August. Derbyshire: A6 Between Derby Southern Bypass (A50) and Shardlow Road roundabout. East of Alvaston. Contraflow for work on new A50. Until 15th October. AA Roadwatch: Call 0336 401777 for the latest local and national traffic news. Source: The Automobile Association. Calls charged at 50p per min (inc VAT).

YESTERDAY

EXTREMES

Warmest: Farnham 15C (59F)
Coldest: (day) Breck 5C (41F)
Wettest: Dordrecht 6.0 mm
Sunniest: Lynton 9.5 hrs
For 24 hrs to 2pm Tuesday

HIGH TIDES

Location	AM	PM	HT
Avonmouth	11.53	11.2	-
Cork	10.27	3.9	10.59 3.8
Dunport	10.32	4.7	10.58 4.7
Dover	3.30	6.2	4.06 5.9
East Laings	4.25	3.7	5.05 3.8
Falmouth	10.03	4.5	10.29 4.5
Glasgow	4.52	3.3	5.27 3.1
Harwich	4.16	3.9	4.46 3.6
Holyhead	2.53	4.9	3.33 4.9
Hull (Albert Dock)	11.07	7.8	11.33 7.8
King Lynn	11.07	5.7	11.45 5.4
Lahk	7.26	4.9	8.02 4.9
Liverpool	3.41	8.4	4.17 8.2
Millford Haven	11.06	5.9	11.36 5.7
Newquay	10.05	5.9	10.36 5.7
Portsmouth	11.27	1.5	11.44 1.5
Portsmouth	4.00	4.3	4.37 4.2
Prudhoe	12.33	4.2	11.0 4.0
Southampton	8.59	5.0	9.35 5.0
Wick	3.57	3.0	4.33 3.0

Height measured in metres

AIR QUALITY

Location	NO ₂	SO ₂
London	Good	Good
S England	Good	Good
Wales	Good	Good
N England	Good	Good
Scotland	Good	Good
N Ireland	Good	Good

SUN & MOON

Sun rises: 05.55
Sun sets: 18.20
Moon rises: 10.24
Moon sets: 01.32
First Quarter: Today

WEATHERLINE

For the latest forecast dial 0800 5009 followed by the two digits for your area. Source: The Met. Office. Calls charged at 50p per min (inc VAT).

RAIN OR SHINE

WINDS and heavy rain battered north-west Australia yesterday as Cyclone Vance, already responsible for flattening more than 100 homes, continued its destructive march inland.

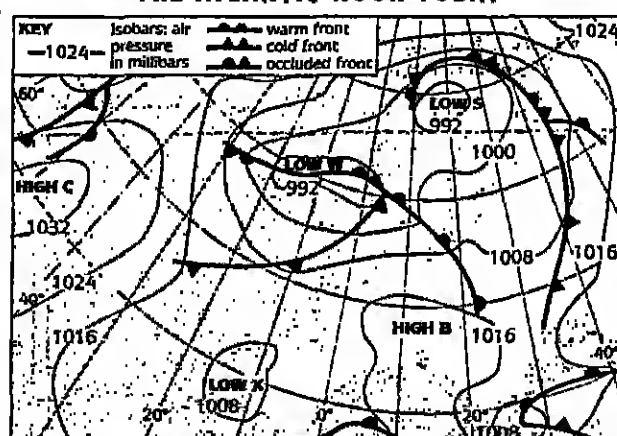
Meteorologists logged winds of 166mph, the strongest recorded on mainland Australia. Residents of Kalgoorlie, 550 miles east of Perth, were sandbagging their homes as the cyclone approached.

THE WORLD

EUROPE NOON TODAY



THE ATLANTIC NOON TODAY

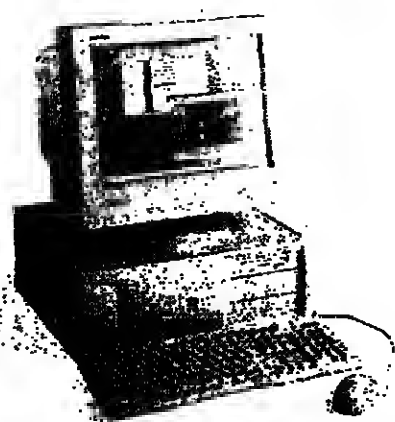


Low W will move eastwards. Low S will fill. Low X will become multi-centred and move north-eastwards. High B will edge east while High C sinks southwards.

Low W will move eastwards. Low S will fill. Low X will become multi-centred and move north-eastwards. High B will edge east while High C sinks southwards.

THE WORLD YESTERDAY

Location	Temp	Wind	Humidity	Cloud
Athens	22	10	65	10
Bahia	24	12	75	10
Bangkok	28	15	85	10
Bombay	26	12	75	10
Buenos Aires	18	10	65	10
Calcutta	26	12	75	10
Cairo	24	12	75	10
Cardiff	12	10	65	10
Chennai	26	12	75	10
Copenhagen	10	10	65	10
Dhaka	26	12	75	10
Dublin	10	10	65	10
Edinburgh	10	10	65	10
Hankow	26	12	75	10
Hong Kong	26	12	75	10
Kobe	18	10	65	10
London	12	10	65	10
Lyons	12	10	65	10
Manila	26	12	75	10
Medan	26	12	75	10
Mumbai	26	12	75	10
Nairobi	26	12	75	10
Paris	12	10	65	10
Perth	12	10	65	10
Rangoon	26	12	75	10
Reykjavik	10	10	65	10
Rome	12	10	65	10
Singapore	28	15	85	10
Sourabaya	26	12	75	10
Taipei	26	12	75	10
Tokyo	18	10	65	10
Yokohama	18	10	65	10

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Straw ready to water down Lawrence report proposals

THE HOME Secretary, Jack Straw, said yesterday that he was taking "personal responsibility" for building an anti-racist society by implementing most of the recommendations of the Macpherson Report into the racist murder of black teenager Stephen Lawrence.

BY IAN BURRELL
Home Affairs Correspondent

Although he agreed to look at the issue, Mr Straw said: "We need to balance the concerns expressed with the right to privacy, and family life and freedom of speech."

Mr Straw also stressed that his acceptance of the "double jeopardy" recommendation by Macpherson, which would allow people to be tried twice for the same offence where fresh evidence was presented, was no more than a commitment to "consideration" of the issue.

The Home Secretary will personally chair a steering group, which will include representatives of police and ethnic organisations, which will be driving through a raft of measures called for in the Macpherson Report.

A feasibility study has been ordered into the setting up of a new independent complaints system to investigate complaints made against police officers by members of the public.

Police officers will also be subject to disciplinary proceedings where they are found to have used racist words or

committed racist acts. Police are to be made subject to the Race Relations Act as a Government priority, making chief constables legally responsible for the actions of their officers.

The Home Secretary accepted Macpherson's wider definition of a racist incident - where any interested party considers that there was a racial element to what took place - and said this would be universally adopted by police and other agencies.

Mr Straw said he was anxious that, unlike Lord Scarman's report on the riots in

1981, the Macpherson report should be a platform for "real practical change". "The trouble with Scarman was that it was seen as a bolt-on extra, and it didn't become infused into the police service or its culture," said Mr Straw.

But the Macpherson team is likely to be disappointed by the Home Secretary's inclusion of a series of caveats.

Although Mr Straw has promised to include policing in new Freedom of Information legislation, he wishes to exclude details relating to informers, investigations and prosecutions.

The Home Secretary is committed to disciplining police officers found to be responsible for racist words or actions, but said that dismissal in such cases could not "be applied in a generalised way because each case must be decided on its merits".

He also said that Macpherson's suggestion that retired police officers should be liable to being disciplined for up to five years after retirement "needs further consideration".

Mr Straw's Action Plan will be debated in the House of Commons next Monday.

Corner stones of history a 'myth'

BY ROGER DOBSON

ONE OF the most famous odysseys of prehistoric man may never have happened.

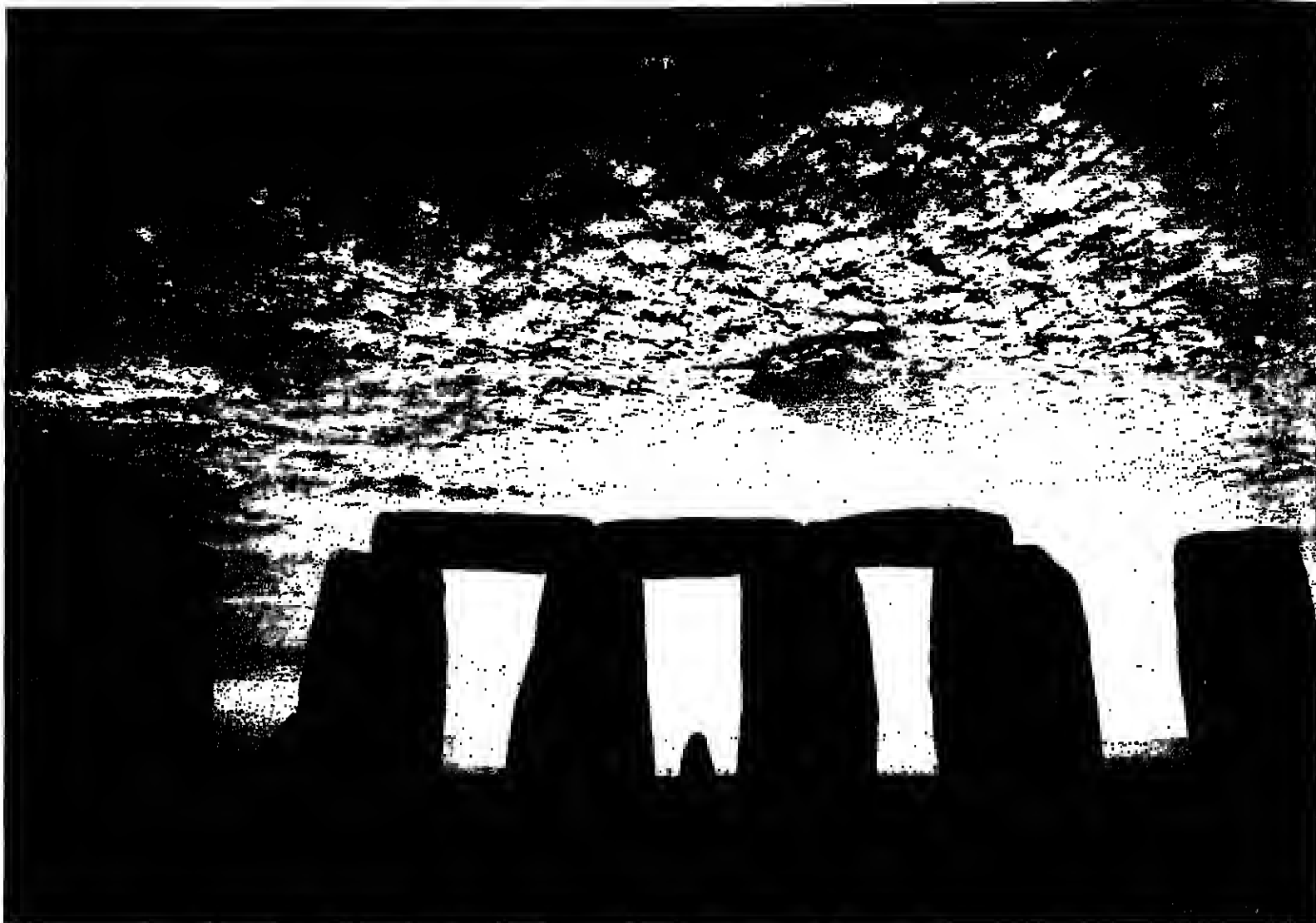
For more than 70 years, the popular theory surrounding the building of Stonehenge has been that the key bluestones were transported by land and sea on a journey from the Preseli mountains in south-west Wales to Wiltshire.

Geologists and archaeologists have long supported the 216-mile epic-trek theory, despite the Herculean effort that would have been involved in moving 80 stones, each weighing around four tons, with little more than muscle-power.

But according to a book being published next week by one of the foremost authorities on stone circles, the epic trek almost certainly never happened.

The stones may well have been taken from Wales to Wiltshire, but it was ice-age glaciers that carried the rock, rather than prehistoric man. The builders of Stonehenge, about 4,600 years ago, simply used what had become local stone.

Aubrey Burl, an archaeologist who has studied stone circles for more than 30 years, rejects the idea that the Welsh stones were chosen because of their magical powers, and says there is irrefutable evidence that the same kind of Welsh stone was on Salisbury Plain



Dawn over Stonehenge. An archaeologist says that glaciers, rather than man, carried the four-ton stones 216 miles to Wiltshire. Kippa Matthews

before Stonehenge was built. He also lists evidence in the Yale University Press book, *Great Stone Circles*, of glacial deposits - known as erratics - of the Welsh stone along a line between Preseli and Wiltshire. Stonehenge is made up of two types of stone, sarsens from the

Avebury area 18 miles north of Stonehenge, and a mix of dolerites (bluestones) from the Preseli mountains. It was the geologist Herbert Thomas who in 1923 linked the bluestones with the Carn Meini ridge of the Preseli mountains. "Since that time it has been popularly accepted

that the stones could only have reached Salisbury Plain by human effort," Mr Burl said.

But he added that research showed that prehistoric societies did not move massive blocks from any great distance. "When there was convenient stone they used stone. When

there was not they used timber or earth," he said.

At Stonehenge, "the discoverers [of the stones] may have ambitiously planned a concentric circle for the 83 holes, but when the last bluestone was unearthed and the countryside scoured no more were found...

[and] the scheme was modified into a less impressive single circle of about 57 stones. Even in the golden age of prehistory there could be blunders, and Stonehenge was no exception." *Great Stone Circles*, published next week by Yale University Press, £19.95.

GPs targeted in drive to curb costly drugs

FAMILY DOCTORS who dispense expensive brand-name drugs are to be targeted in a drive that could save the NHS £50m a year.

BY PAUL WAUGH
Political Correspondent

The overhaul, part of a wider drive to cut billions from the drugs budget, will target GPs who can supplement their income by up to £60,000 by dispensing drugs themselves instead of using a pharmacy. They receive a payment of 10.5 per cent of the cost of the drugs they prescribe.

Critics say the doctors, who often work in rural areas, bank the income or spend it employing locums to cut their workload and "spend more time on the golf course". On average, more than 74 per cent of drugs prescribed by dispensing GPs are branded.

The Government has already set a target of 72 per cent of all drugs to be dispensed as generic by 2002 but ministers are concerned that urgent action is needed to reach the figure. Had generic drugs been prescribed in the NHS last year in place of branded versions, £66m would have been saved, all but wiping out the £99m drugs overspend.

The Audit Commission has estimated that if GPs were forced to prescribe just 20 of the most common drugs generically, the NHS could save £50m a year.

The review will also aim to tackle the practice of drug companies selling their products as loss leaders to hospitals while

simultaneously selling them at high prices to GPs and pharmacies.

Once a hospital consultant has put a patient on the drug, GPs are pressed to keep them on the same medication, allowing pharmaceutical firms to make huge profits. The difference in price between a hospital and community surgery can

be dramatic. One month's prescription of the diuretic Frumil can cost 20p per patient in hospital compared to 6.20 when prescribed by a GP.

Peter Bradley, Labour MP for The Wrekin, will raise the "scandal" of branded drugs in an adjournment debate in the House of Commons today. "These two scams, the dis-

persing GPs' nice little earnings and the hospital-led prescribing, are costing the NHS £60m a year," he said last night.

"Every penny wasted on branded drugs is a penny which should be spent on health care. The money saved would pay for 4,000 nurses' salaries or allow us to abolish dental charges in England."

Family convicted over £3m 'fraud factory'

TEN MEMBERS of a family were convicted yesterday of setting up a "fraud factory" aimed at netting almost £3m in false injury and benefit claims.

BY PETER BEAL

The ringleader, Mohammed Sharif, 58, faked six road accidents so family members could make false claims against insurance companies, Preston Crown Court heard.

Two daughters, Yasmin Sarwar, 25, and Parveen Sharif, 30, were each twice recorded as victims of "accidents" in six months involving cars driven by their father. Other family members used false names to pose as independent witnesses.

One of Sharif's sons, Zulfiqar, 23, pretended for 15 years to have been left in a persistent vegetative state after a street attack in a bid to claim a record £1.7m from the Criminal Injuries Compensation Board.

His fraud was exposed when investigators found a family video showing him lifting weights on a multi-gym, driving a car and running laughing down the street.

Mohammed Sharif, sons Zulfiqar, Arif, 27, and Abid, 23, his daughters Parveen, Yasmin Sarwar and Razia Ahmed, 26, and sons-in-law Abdul Rasheed, 22, Mohammed Ramzan, 37, and Sain Ahmed, 43, were found guilty of conspiracy to defraud insurance companies, the Department of Social Se-

curity and the Criminal Injuries Compensation Board. They were estimated to have been paid £230,000 in false claims, £211,000 of which was transferred to banks in Pakistan the day after their arrests in 1996. The total amount of claims was £2.8m.

The judge, Mrs Justice Steel, remanded Sharif in custody for sentence in May. The others were given bail. The judge warned all of them they faced jail sentences.

"The offence is quite exceptional in the scope and the scale of the blatant dishonesty and cheating which was practised on the various agencies defrauded in this case," she said.

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Otters to be tempted back to the river Thames

A PROJECT to tempt otters back to the Thames was launched yesterday by Sir David Attenborough, the wildlife broadcaster, and Michael Meacher, the Environment minister, who posed with two tame otters near Maidenhead in Berkshire.

It is hoped that by improving the riverside habitat and water quality, the three-year, £170,000 scheme will encourage the mammals to return to the river and its tributaries in Surrey, Berkshire, Buckinghamshire and Oxfordshire.

Wild otters were last resident in the Thames region in the 1970s, before intensive agricultural pesticides and damage to their habitat led to their decline.

Signs of otters have been found in the area in recent years, suggesting that a small number of transient otters are seeking territories in the Thames region.

Local people will be involved in recovery efforts and in raising awareness of the plight of the otter.

Sir David said: "The otter is

BY LINUS GREGORIADIS

one of our most enchanting animals. Everyone will benefit if we succeed in this. It is a chance for us to put right some of the damage done to our wildlife."

Between the late 1950s and the 1970s otters were brought to the verge of extinction by a mixture of hunting, pollution and encroachment on their environment by expanding towns.

Contamination by agricultural pesticides and fertilisers was pinpointed as one of the main causes of the decline, causing fish stocks in rivers to dwindle and starving otters from their natural habitat.

Conservation efforts over the past 20 years have seen the British otter's fortunes restored, with numbers reaching 3,000. The Government has pledged to reintroduce the otter to all its pre-1960 habitats by 2010.

The scheme is part of the National Otter Biodiversity Action Plan, which was launched last summer.



Sir David Attenborough holds an otter at the launch of a campaign to counteract pollution and restore the animals to their former riverside habitat

Dylan Martinez/Reuters

Spending watchdog attacks IT 'chaos'

THE IMMIGRATION service was reprimanded by the Government's spending watchdog yesterday over a computer system which has sunk the department into chaos.

A "too ambitious" £77m private contract to install the system at the Immigration and Nationality Directorate (IND) has led to months of delays for thousands of applicants, including international business people, foreigners living in the UK and individuals requiring work permits.

The National Audit Office (NAO) said in a report that government departments should carefully consider whether such computer projects were achievable, even where prospective suppliers made enthusiastic bids for the work.

The immigration department's computer project is already lagging 14 months behind schedule and is unlikely to be fully operational until next year.

The delay, which has been exacerbated by the problems of relocating the IND's offices in Croydon, has infuriated the Home Secretary, Jack Straw, who told MPs this week that he "deeply regretted" the deterioration in the immigration service. He said the problem was the greatest managerial challenge faced by the Home Office.

Mr Straw, who visited the IND yesterday, has told the private contractor, Siemens Business Services, to draw up a plan to deal with the delays.

The aim of the Siemens project, which was agreed in 1996, was to switch from a paper-based to a computer-based system to speed up decisions on immigration and asylum cases.

The IND employs 1,400 and spends £67m a year dealing with 400,000 cases.

BY IAN BURRELL
Home Affairs Correspondent

The NAO report found that problems with the computer project began after it was decided to abandon plans to use existing information technology packages and instead introduce tailor-made software. This meant that the introduction date was put back to June 1999.

The report warned that there could be more problems if the timetable slipped further because most of the limited software in use by the directorate was not year-2000 compliant.

Sir John Bourn, head of the NAO, said: "There are many examples of bespoke projects such as this one which in retrospect can be seen to have been too ambitious, despite there having been enthusiastic bids for the work from prospective suppliers."

David Davis, chairman of the Commons Public Accounts Committee, said the IND was in "chaos". He criticised the decision taken by the Immigration minister, Mike O'Brien, to move offices, implement business changes and complete the computer project at the same time.

He said: "Whilst there has been a substantial transfer of risk to the contractor, ultimately, if the project is delivered late, or not at all, the taxpayer will foot the bill."

The problems come as the Immigration and Asylum Bill is going through Parliament, with proposals for the biggest shake-up in the immigration system for decades, involving an overhaul in the organisation and working methods of the IND.

However, if the IT project is successful, it will bring substantial savings, the report said.

IN BRIEF

Toll road victory claimed

THE BUILDERS of Britain's planned first tolls motorway claimed victory in the Court of Appeal yesterday over campaigners trying to stop the Birmingham Northern Relief Road. Tom Smith, managing director of Midland Expressway Ltd, said court rejection of an appeal by the campaigners removed the final obstacle to construction.

Third pupil dies from meningitis

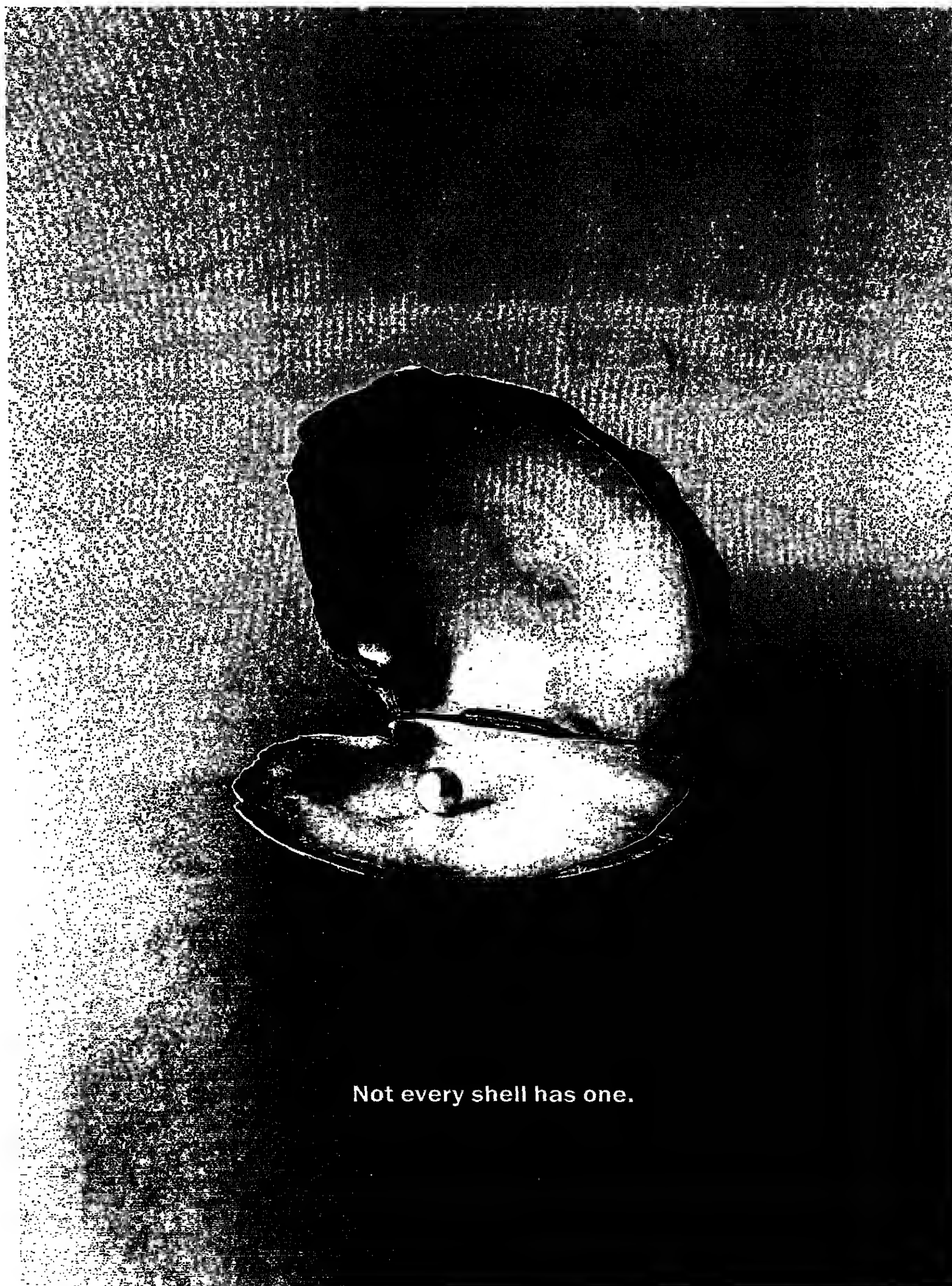
A THIRD pupil from the same school has died from meningitis in 15 months. The teenager, who attended Notre Dame High School, Liverpool, died yesterday. Health officials said the schoolgirl's death was an isolated case. Pupils boycotted classes at the school after the deaths of Michelle Fleming, 14, and Kelly King in December 1997 and January 1998.

Second test tube baby at 55

A WOMAN who lied to doctors about her age to become Britain's oldest test tube mother three years ago has had a second child at 55. Pauline Lyon, from March, Cambridgeshire, gave birth to a boy at Hinchbrook Hospital in Huntingdon on Monday. She gave birth to a daughter, Lauren, a month before her 52nd birthday.

Chocaholics get taste for reading

A NEW magazine was launched yesterday devoted to chocolate. *Chocolate Magazine's* editor said Britons were the world's second largest purchasers of chocolate - after Switzerland - and the journal would cater to that interest.



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THE INDEPENDENT
Wednesday 24 March 1999

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IN BRIEF

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Anita Froggatt who had one of her healthy breasts removed with her husband Paul Phil Spencer/The Mirror

Breast removed after lab mix-up

A WOMAN who had a healthy breast removed after being told mistakenly that she had cancer was the victim of a mix-up of slides in a laboratory, a hospital said yesterday.

Anita Froggatt agreed to undergo the mastectomy at the Chesterfield Royal Hospital after analysis of a lump removed from her right breast apparently showed it was malignant. Two weeks later it emerged that the slide with her healthy breast tissue had been confused with the slide of another woman, who had cancer.

Yesterday the hospital said it took full responsibility for the error and that it was investigating how it had happened. A member of the laboratory staff has been suspended on full pay.

Christopher Day, medical director, said: "We acted immediately and saw the patient as soon as this error came to light. It is a tragic situation and

we take full responsibility. We have given her a frank explanation of events and, of course, a full apology."

Mrs Froggatt, 28, who has a 10-year-old son, told The Mirror that she was still "too shocked by the news of the unnecessary operation to be angry. She said: "I can never forgive them for this. They have robbed me of my womanhood. It's unthinkable what they've done to me, and it's all for nothing."

She added: "It's unbelievable how one lab technician's work can sail through as gospel without being checked and checked again before such drastic surgery. It beggars belief. You trust the NHS. You believe what you're told."

She has lost her factory job since the operation, which in-

cluded removal of the lymph nodes in her armpit, because movement of her arm is now restricted.

The hospital said that it would not contest a claim for compensation, which some estimates have put as high as £500,000.

Phil Bowen, a solicitor who is representing Mrs Froggatt, said: "In many years of dealing with medical negligence claims, this is undoubtedly the most appalling case that I have experienced."

"The distress which has been caused to Anita is unimaginable. To even begin to recover from this traumatic experience my client will require counselling and reconstructive surgery."

He added: "Both Anita and myself would wish to make it clear that this is an unusual mistake and neither of us would wish this to affect the use of the breast

screening service by any woman who discovers a lump in her breast."

In the past, patients have had limbs wrongly amputated but greater precautions are now taken and these errors have been eliminated. In the early 1990s, healthy patients in Birmingham were wrongly diagnosed with bone cancer and underwent chemotherapy as a result of errors by a pathologist in reading tissue samples. But breast cancer charities said yesterday that they had not heard of slides being mixed up in a laboratory before. A spokeswoman for Breast Cancer Care said: "It is absolutely horrifying. With today's health care and the screening available, nothing should go wrong."

The hospital said that the other woman in the mix up had received the correct treatment because her slide was not misread.

Smokers killing 125 babies a year

PARENTAL IGNORANCE about passive smoking causes 125 cot deaths a year, a leading expert claimed yesterday.

Research released in a campaign to make parents aware of tobacco smoke damage to infant health showed only 7 per cent of parents knew of a link between cot death and passive smoking.

"Cot death still remains the main cause of death for babies over one month old," said Joyce Epstein, secretary-general of the Foundation for the Study of Infant Deaths. "It takes nine lives a week. We are shocked hardly anybody is aware we can cut death by cutting smoking."

The latest figures show a baby is eight times more likely to succumb to cot death if both parents smoke.

The Gallup survey of 2,000 people commissioned by the Doctor Patient Partnership, which is leading the campaign, showed the majority of parents were also unaware their smoking increased their child's like-

hood of having chest infections, asthma - and becoming a smoker. Only 41 per cent thought passive smoking affected childhood asthma, only 22 per cent believed it increased risk of chest infection. Just 13 per cent thought it encouraged children to become smokers.

The research findings are very different: 74 per cent of children say smoky places make their asthma worse, passive smoking doubles the risk of acute respiratory illness in children, and children who live with two parents who smoke are twice as likely to become smokers.

"These results are frightening," said Dr Simon Fradd, chairman of the partnership. "Many people who smoke around their children are genuinely unaware of the extent of the problems they can cause to their children's health."

HUGH O'SHAUGHNESSY

We who wanted Pinochet punished have already won

IN THE WEDNESDAY REVIEW PAGE 4

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OUT TODAY

It's military action – but don't mention the word 'war'

DECLARATIONS OF war have become almost commonplace these days, a routine so familiar in its language that you need to remind yourself exactly what it is you are listening to. Mr Blair, for example, had not been in office for two years and yet he has twice had to perform the gravest task that can fall upon a Prime Minister – that of sending troops to attack a foreign state. It helps that nobody uses the word war, naturally, or feels the need for any solemn inauguration of hostilities.

Mr Blair's statement yesterday on Kosovo had its moments of Churchillian apostrophe, it's true,

moments when his deliberate cadences were aimed at a national audience, but the fact that he talked always of "military action" inevitably took the sting out of his words. Military action sounds reassuringly like a one off, an in-and-out operation, and it is crucially qualified by its adjective, which will reassure most people watching the evening news that this has little to do with them. War might conceivably involve us all, "military action" is something performed somewhere else by trained professionals.

Mr Blair needed to warn people that this would not be a bloodless

engagement so he did, coming as close to saying that troops would die as any politician could in such circumstances. He needed also to describe his objective in such a way that opposition sceptics couldn't secure a bridgehead, and he did that too, declaring that the aim of NATO air strikes would be to "curb continued Serbian repression in Kosovo".

What he couldn't concede was that these objectives are virtually impossible to achieve from the air, with surgical strikes on Serbian military capability.

Mr Hague began by offering his support in the ritual manner (quick

THE SKETCH



THOMAS SUTCLIFFE

geneflection to courage and dedication of the armed forces, brief ex-ecration of the dictator in question, matching solemnity of tone). But

the support was heavily qualified. The Conservatives he said, would back bombs but not boots – there should be no ground troops used.

Labour backbenchers muttered unhappily at this reservation but the anxiety was shared by others, and most flamboyantly expressed by the Sir Peter Tapsell (Con, Louth and Horncastle). "Using weasel words to the British public is very wrong," he spluttered, as he outlined his conviction that British blood would inevitably be spilt in the Balkans. For the first time Mr Blair looked heated as, finger jabbing, he repeated the terms of engagement. "Tell the country the price of your

policy", shouted back Sir Peter thus forming a slightly startling cross-bench alliance with the Labour Party long-standing Cassandras, Tam Dalyell and Tony Benn. True to form, the latter managed to convey the sense that the gravest element of this crisis was the Prime Minister's constitutional impertinence in not allowing the House of Commons to debate the matter first. Alice Mahon (Lab, Halifax) did the sceptics' cause no favours either, with a tremulous insistence that dialogue was preferable to force, a remark that drew disbelieving mutters from disillusioned veterans of Rambouillet.

"It takes two sides to make peace," Mr Blair had said in his statement underlining Milosevic's culpability (the Serbian leader had a "Mr" in the original text but had been stripped of it in the delivery, a tiny shift which marked his transformation from negotiable obstacle to justifiable target). There was really no contradicting that yesterday but, whatever he says allowed, Mr Blair must know that it takes two sides to make war, as well, and that the Serbs will almost certainly not want the same kind as he and his allies.

They will want to fight theirs on the ground.

Bombing 'will aid Balkan stability'

TONY BLAIR faced dissent from all sides yesterday when he told the Commons that Britain was ready to help in Nato air strikes on Serbia to avert a "humanitarian disaster" in Kosovo.

MPs warned the Prime Minister that bombing may not bring President Milosevic back to the negotiating table and could lead to a full-blown war with Serbia.

But, in a sombre statement, Mr Blair said that while the potential consequences of military action were serious, "the consequences of not acting are more serious still for human life and for peace in the long-term".

He added: "We must act to save thousands of innocent men, women, and children from humanitarian catastrophe, from death, barbarism and ethnic cleansing by a brutal dictatorship, to save the stability of the Balkan region, where we know chaos can engulf all of Europe." He said if Kosovo was left

KOSOVO
BY SARAH SCHAEFER
Political Reporter

to the mercy of Serbian repression, there was "not merely a risk but a probability of re-igniting unrest in Albania, destabilising Macedonia and almost certain knock-on effects in Bosnia and further tension between Greece and Turkey. We cannot contemplate the disintegration of the Balkans into chaos and disorder."

William Hague warned the Prime Minister that his party would not be willing to back the use of ground forces to fight for a peace settlement.

Action should have been taken sooner against the Serbs, rather than the issuing of a "string of last warnings and ultimatums... the credibility of Nato has been called into question," the Tory leader added.

Menzies Campbell, for the



Tony Blair, grim and untalkative, leaves Downing Street yesterday to make his sombre statement in the Commons

Russell Boyce

Clarke backs elected Lords

CONSTITUTION
BY PAUL WAUGH
Political Correspondent

THE FORMER Chancellor Kenneth Clarke joined senior Labour and Liberal Democrat MPs yesterday to launch a new cross-party campaign for a fully elected second chamber for Parliament.

Mr Clarke revealed that more than one-third of all backbench MPs and most Tory ironbenchers had backed proposals to replace the House of Lords with a senate-style body.

The campaign was launched as 131 MPs signed an early day motion demanding that "the composition of the second chamber of Parliament should be determined by election".

Accompanied by Charles Kennedy, the Liberal Democrat agriculture spokesman, and Mark Fisher, Labour's former arts minister, Mr Clarke said the motion would send a clear message to the Royal Commission on Lords reform.

"There is strong and growing cross-party support in the House of Commons for an elected second chamber... In the 21st century, only the ballot box can provide the second chamber with sufficient legitimacy for it to perform a constitutional role."

Labour offers safeguards against town-hall sleaze

STRINGENT SAFEGUARDS on freedom of information are to be imposed on town halls across the country to ensure that elected mayors and cabinet-style governments do not descend into secret cabals.

The draft Local Government Bill published today will make it a criminal offence for any council to refuse to publish details of how decisions are made. To reduce the danger of secrecy and corruption, powerful scrutiny committees will also have the right to call mayors and cabinet members to account.

The proposals have been included in the Bill to counter criticism that the creation of directly

LOCAL GOVERNMENT
BY PAUL WAUGH
AND COLIN BROWN

elected mayors and other executive forms of government will lead to over-centralisation.

The long-awaited legislation will aim to transform councils by allowing just 5 per cent of the local electorate to trigger a referendum on a mayoralty. Ministers hope that local newspapers will campaign for a referendum in their area, by-passing obstructive councillors who refuse to stage a poll.

The Bill will also feature tough new codes of ethics for all councillors and officers, with re-

gional standards boards with the power to exclude politicians from office if they breach the guidelines.

However, the Liberal Democrats were adamant last night that mayors and cabinets could exacerbate the problem of town-hall sleaze. Paul Burstow, the party's local government spokesman, said that the only real solution was to introduce proportional representation (PR) for councils.

"This Bill could simply institutionalise the control of town halls by dominating leaders," he said. "If ministers are serious about tackling sleaze, they must introduce fair votes

for local government... Without PR, Labour's rotten boroughs will be able to get away with creating all powerful, one-party executives, accountable to no one but their own political friends."

Tories attempted last night to delay the passage of the Local Government Bill as it reached its report and third-reading stages. The legislation will end universal hudget-capping and scrap compulsory competitive tendering introduced by the Thatcher government. Conservative MPs filibustered in protest at the CCT proposals and the speed with which Labour was aiming to clear it from the Commons.

Lords urge new dumping policy

PEERS YESTERDAY urged the Government to end its "irresponsible" policy on dealing with nuclear waste.

A report by the influential Lords' committee on science and technology argued that phased underground disposal was "the right way forward" to deal with the waste.

"Nuclear waste has been treated in an ad hoc way for far too long. There are wastes for which no long-term management method has been identified and there are radioactive materials in store that are not

NUCLEAR WASTE
BY SARAH SCHAEFER

needed but that have yet to be classified... reliance on supervision for very long periods increases the probability of human error," Lord Tombs, the committee's chairman, said.

The peers' inquiry was set up after the decision in 1997 by the then Tory environment secretary, John Gummer, to reject Nirex's plans to build the first stage of Britain's underground nuclear waste dump near Sellafield, Cumbria. He also turned

down British Nuclear Fuel's plans to keep foreign intermediate-level nuclear wastes in Britain after their reprocessing.

The report also said: "We must start now to find a solution to this unprecedented problem."

But Greenpeace dismissed the committee as a "pack of ostriches". "Dumping nuclear waste underground is irresponsible," said Dr Helen Wallace, a Greenpeace scientist. "Evidence at the Nirex inquiry showed that any dump would leak and contaminate land, rivers and water supplies."



John Gummer: Rejected underground dump

Defeat on young offenders

THE GOVERNMENT was defeated by 149 to 144 when peers backed a call to give magistrates more discretion on whether to refer first-time offenders to proposed youth offender panels during the third reading of the Youth Justice and Criminal Evidence Bill.

Today's Agenda

Commons. 9.30am for backbench debates on: transport in eastern region,

THE HOUSE



Metropolitan Police budget, teenage pregnancy 2.30pm: Northern Ireland questions. Prime Minister's questions. Lords. 2.30pm: Debate on role of marriage, debate on Gulf War illnesses.

Beef ban can go in Scotland

MEMBERS OF the Scottish Parliament will be able to lift the beef-on-the-bone ban north of the border after its opening on 1 July, junior Scottish minister Sam Galbraith said.

Few still waiting

LESS THAN 1 per cent of gun owners claiming compensation for the 1997 firearms ban are still waiting for offers from the Government, Home Office

QUESTIONS AND ANSWERS

minister Paul Boateng said.

Ashton warning

ANY POLICE officer found to have leaked information about questioning of Labour MP Joe Ashton during a raid on a Thai massage parlour would be "severely dealt with", Home Office Minister Paul Boateng said.

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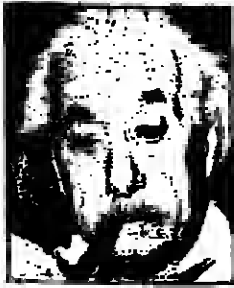
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JP 11/03/99

Are these the century's finest minds?



ALBERT EINSTEIN
Patent office clerk who became the century's most influential scientist. At 26, developed theory of relativity, basis for advances in quantum physics, space travel and electronics.



SIGMUND FREUD
The father of psychoanalysis. Credited with opening the door to our unconscious selves. Concepts such as ego, repression and penis envy spring from his work.



ALEXANDER FLEMING
Bacteriologist who invented penicillin, world's most effective lifesaver and key to all antibiotics. Found when an experiment was accidentally contaminated.



ENRICO FERMI
Atomic physicist who helped pioneer nuclear fission. Co-inventor and designer of the first nuclear reactor. Hailed as last great physicist to excel both at theory and experimentation.



WILBUR AND ORVILLE WRIGHT
Brothers Wilbur and Orville (above) were bicycle mechanics who made first powered human flight in 1903. Ultimately responsible for the aviation age.



ALAN TURING
Computer scientist who built the world's first calculating machines and laid the groundwork for all computer technology. Committed suicide after prosecution for homosexuality.



JONAS SALK
Virologist who invented the polio vaccine in the Fifties after two epidemics which crippled thousands of children. Suffered from infighting in US scientific establishment.



LUDWIG WITTGENSTEIN
Pioneering philosopher who started out trying to "end philosophy" in 1922 by elegantly codifying all thought in terms of logic. Eventually questioned all original ideas.



JAMES WATSON AND FRANCIS CRICK
Molecular biologists Watson (above) and Crick discovered DNA's double helix, basis of life. Fought opinion in developing theories ranging from crime-fighting to philosophy.



WILLIAM SHOCKLEY
Solid-state physicist and inventor of the transistor, which made computer technology possible. Held radical racial view that black people were inherently less intelligent than whites.



LEO BAEKELAND
Belgian-born chemist who invented the first synthetic plastic - Bakelite. It was discovered in 1909 during his search for an insulating material for the growing electric industry.



TIM BERNERS-LEE
British computer network designer who originated the World Wide Web. Credited with the huge growth of the Internet - 600,000 to 40 million users from its launch in 1991 to 1996.



RACHEL CARSON
Marine biologist who wrote *Silent Spring* in 1962, forerunner of environmental movement. Listed effects of pesticides on wildlife, despite attack by US chemical companies.



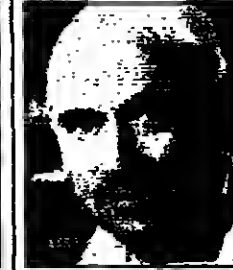
JOHN MAYNARD KEYNES
Economist thought of as father of modern economics. Theories on pulling economies out of depression by increasing demand credited with saving capitalism.



EDWIN HUBBLE
Astronomer who formulated theory of Big Bang in 1920s, realising universe beyond the Milky Way was expanding. Einstein said Hubble's contribution helped prove his theories.



KURT GODEL
Author of arguably the most important discovery of 20th-century mathematics. His "incompleteness theorem", of 1931, proved wrong nearly 100 years of mathematical research.



ROBERT GODDARD
Rocket scientist who pioneered the technology in the 1930s amid ridicule. His ideas led to produce V2 rockets for attacking London, but rockets did put a man on the moon.



THE LEAKEY FAMILY
British family of pioneering anthropologists - Louis, Mary and son Richard (above) - whose work in Kenya revolutionised the understanding of human evolution.



JEAN PIAGET
Child psychologist who developed the theory that children were not empty vessels to be filled with knowledge but had their own logic with which they constructed their world.



PHILO FARNSWORTH
Inventor of the TV tube, after the idea came to him at 14. Died in obscurity. "There's nothing on it. We're not watching it in this house," he told his son.

JOHN DAVISON

A FORMER clerk in the Swiss patent office has been voted one of the most influential minds of the past 100 years - the century that split the atom, invented plastic, landed men on the moon and cloned a sheep called Dolly.

The name of Albert Einstein is synonymous with intellectual power, which explains why he heads the list of the 20 most influential thinkers of the past 100 years.

People as diverse as Ludwig Wittgenstein, the Austrian philosopher, William Shockley, the inventor of the transistor,

BY STEVE CONNOR
Science Editor

and Sigmund Freud, the pioneer of psychoanalysis, are among the famous names listed by *Time* magazine as this century's greatest brains.

The 20th century, *Time* says, "overthrew our inherited ideas about logic, language, learning, mathematics, economics and even space and time. And behind each of these great inventions is, in most cases, one extraordinary human mind."

Britain is well represented in the list, with seven names

among the top 20, including Alexander Fleming, the discoverer of antibiotics, John Maynard Keynes, the influential economist, and Alan Turing, the tortured mathematician and computer scientist.

But it was Einstein who dominated the 20th century with his two theories of relativity. He published his first, "special" theory in 1905 while he was still a patent office clerk, and his more important, "general" theory in 1916.

James Gleick, the science author, writes in *Time* that the scientific touchstones of the

age - the nuclear bomb, space travel and electronics - all bear Einstein's fingerprints. "He discovered, just by thinking about it, the essential structure of the cosmos," he says.

Sir Martin Rees, Britain's Astronomer Royal, agreed with *Time* that Einstein dominated the scientific achievements of the 20th century, notably with his general theory of relativity, which explains the relationship between gravity and space.

"If he hadn't come up with his general theory, it might not have been described for several more years. Einstein put

a more distinctive mark on science," Sir Martin said.

Many discoveries came about as a result of good luck and "people who made the greatest discovery don't always have the greatest intellect," he said.

Alexander Fleming's discovery of penicillin, made after an accidental contamination in his laboratory, is a prime example of a lucky accident leading to a major breakthrough.

Francis Crick and Jim Watson, the two Cambridge scientists who discovered the double helix structure of DNA,

did what others would have done a few years later, said Lewis Wolpert, professor of biology as applied to medicine at University College London.

But being first matters, which is why Crick and Watson achieve a place in *Time*'s hall of fame as the co-discoverers of the "secret of life" in 1953.

"Not until decades later, in the age of genetic engineering, would the Promethean power unleashed that day become vivid," the magazine says, referring to late-20th-century developments in biotechnology.

Men dominate *Time*'s list of

great thinkers, which includes technology intellectuals such as Tim Berners-Lee, the architect of the Internet, and Wilbur and Orville Wright, the pioneers of powered flight.

But one woman stands out: Rachel Carson, an American biologist, is credited with virtually inventing the environmental movement with her book *Silent Spring*, which alerted the world to the dangers of pesticides.

"*Silent Spring*, serialised in *The New Yorker* in June 1962, gored corporate oxen all over the country," *Time* says.

Not surprisingly, Carson was violently assailed by threats of legal action from some of the biggest companies in the United States, including Monsanto, the agrochemicals giant.

"In their ugly campaign to reduce a brave scientist's protests to a matter of public relations, the chemical interests had only increased public awareness. *Silent Spring* became a runaway best-seller, with international reverberations. Nearly 40 years later, it is still the cornerstone of the new environmentalism," says *Time* magazine.

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A red carnation among hundreds of crosses which bear the names and photographs of those who 'disappeared' during the Pinochet regime in Chile in front of the Houses of Parliament yesterday
Reuters

Chileans ready to reclaim Pinochet

BY KIM SENGUPTA

A CHILEAN air force plane arrives in Britain today to fly General Augusto Pinochet back home to Santiago if the law lords decide that he has immunity from prosecution on charges of human rights abuse.

On the eve of the ruling there was frantic lobbying yesterday from both sides on the emotive issue, with politicians and public figures flying in from Chile for what may be the campaign's final furlough.

General Pinochet is said to have spent the past few days personally directing operations. The former Chilean dictator and his wife, Lucia, are said to have their bags packed ready to return after coming for a shopping trip which in the end has lasted almost six months.

Former Chilean political prisoners and their supporters yesterday kept up their own pressure, placing 4,000 tiny crosses on the lawn outside the Houses of Parliament in memory of those murdered or "disappeared" by General Pinochet's regime. Roberto Vazquez, a member of the Chile Committee Against Immunity,

who spent seven years in jail, said: "Each of these crosses represents a human life which was extinguished. We are here to remind the law lords about the barbarities that took place under Pinochet and ask them to make a stand for the weak and the oppressed."

If the law lords decide that the general has immunity from prosecution, he will be able to leave at once. A decision against him is expected to lead to an immediate application for judicial review by his legal team over the legality of his original arrest.

If they fail with that there will be the beginning of extradition proceedings to Spain, where the general is wanted on charges of human rights abuse, which could last for months.

There was speculation that the judgment will refuse him immunity from prosecution, but at the same time make it difficult for a successful extradition to Spain.

The new panel of seven judges may uphold the previous Lords ruling that General



General Pinochet: Hopes to fly back to Chile today

Pinochet does not get blanket protection from charges of human rights abuse as a former head of state.

At the same time they may decide that the general cannot be tried for any offences committed in Chile before 1988 when torture became an extra-territorial offence under United Kingdom laws. The vast majority of the Spanish charges against the general relate to before that year. The only direct one after that period is the alleged torture of a teenage girl.

The Attorney-General, John Morris, has already refused leave for a private prosecution in Britain of General Pinochet for the alleged murder of a British businessman, William Beausire, who was kidnapped in Argentina in 1974. Mr Morris told the Commons that his decision was based on advice from government lawyers that the 1988 Act was not retrospective in relation to British law.

However, the Spanish warrant also alleges that General Pinochet was involved in conspiracy to murder with agents of his secret police, Dina, while in Madrid. The Crown Prosecution Service could argue that any Lords ruling about lack of retrospective of the 1988 Act cannot apply to these charges.

Legal sources also say that as long as the principle is established that General Pinochet does not enjoy immunity, the CPS will be able to argue the issue through extradition proceedings, raising the possibility of many months of attritional legal hearings.

Hugh O'Shaughnessy, Review, page 4

Police target city crime syndicates

BY JASON BENNETTO
Crime Correspondent

FIFTYTHREE suspected criminals were arrested yesterday during a massive police operation aimed at cleaning up a notorious inner-city area reputed to be "untouchable".

The move follows a 12-month undercover operation, code-named Victory, aimed at combating drug-dealing, burglary, and theft in Salford, Greater Manchester.

Officers yesterday raided 45 properties in Salford, 11 in other areas of Greater Manchester, and four in Cheshire, Merseyside, and Lancashire. A total of 43 men and 10 women were arrested, and officers recovering drugs worth £250,000 and stolen property worth the same amount. A sawn-off shotgun, two pistols and an imitation gun were also seized.

Undercover officers had bought stolen goods and drugs from suspects in order to compile evidence and draw up lists of targets. The police targeted

prolific burglars, car thieves, handlers of stolen goods, and drug dealers.

Detective Superintendent David Brown, head of Operation Victory, said: "There's a perception that there are certain criminals in the Salford area that may be considered untouchable. We wanted to show that no one is above the law."

There are said to be about five significant crime "families" or gangs operating from Salford. The criminals concentrate on running protection rackets, drug-dealing, robberies from security vans and the sale of guns.

Det Supt Brown added that he was confident he had arrested some of the district's most prolific criminals.

The 53 people in custody were being held at 10 police stations around the Greater Manchester area.

C4 gun-running film 'was faked'

BY RHYS WILLIAMS

THE INDEPENDENT Television Commission is investigating claims that parts of a Channel 4 documentary about gun-running in Manchester were faked.

Guns on the Street, shown in the network's *Undercover Britain* series the day after the Dunblane massacre in March 1996, purported to be the video diaries of two people in Salford and Moss Side concerned about the illegal arms trade.

The film led to the arrest and conviction of Gary Bispham, seen in the programme illegally reactivating an Uzi sub-machine-gun. He is serving seven years for firearms offences.

Bispham has said some scenes were staged and the producers failed to disclose that one diarist had a conviction for firearms offences and the other was a freelance journalist.

Channel 4 set up an independent investigation of the documentary by outside solic-

itors. This has nearly finished, said a spokesman.

Channel 4 accepted that one diarist had a gun-related conviction, but said it had been unaware of this before the broadcast.

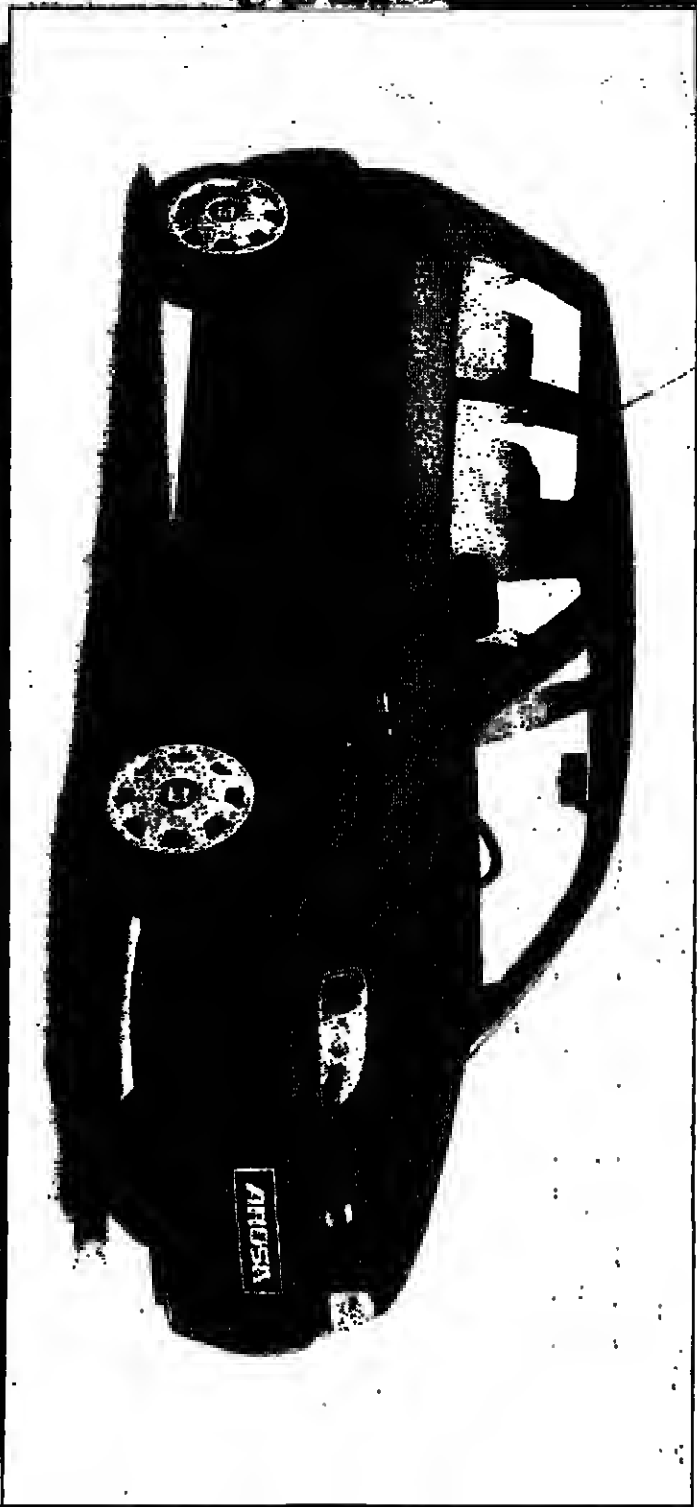
This is a sensitive time for factual programme-making. Carlton was fined £2m for its faked drugs documentary *The Connection*, and deception was found in *The Vanessa Show*.

Last year Channel 4 escaped punishment after apologising for a Cutting Edge film called *Rogue Males*, about cowboy builders, which merely filmed reconstructions of incidents.

Last month the BBC fined the network £150,000 for a documentary *Too Much Too Young: Chickens*, where producers posed as clients picking up rent boys.

The independent producer Mary Devine has been banned from the network.

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Prescott to halve bus fares of elderly

JOHN PRESCOTT yesterday promised that the Government would guarantee half-price bus fares for pensioners, more passenger information and a clampdown on poor performing operators.

"I am looking for the bus industry to provide better quality, better reliability, put more bums on seats and bring in more passengers and not more subsidies," the Secretary of State for the Environment, Transport and the Regions said.

He said that cuts in senior citizens' fares would make a "big difference to the quality of life" for elderly people on reduced incomes, and that he wanted to see all pensioners in England get a minimum half-price discount in exchange for buying an annual travel pass costing no more than £5.

The measure is likely to add millions to local authorities' travel subsidy bills as Mr Prescott said nearly half of all English councils operated less generous schemes. Pensioners in London have free bus

BY PHILIP THORNTON
Transport Correspondent

travel, but outside the capital the pattern varies, with some local authorities offering no concession at all.

The measure is unlikely to become reality for months as Mr Prescott needs to win legislative time. The Government said it would consult on all its proposals.

The Local Government Association said it disagreed with Mr Prescott's figures on the current level of pensioner subsidy. It said it was disappointed the Government had failed to give a legislative timetable.

Announcing the plans at a news conference on board an environmentally friendly bus in London, Mr Prescott said he wanted to end the deregulated "free for all" brought in by the Tories. He set out a package of measures to force bus companies to improve services and to bring in tougher powers to crack down on the failures. He said he would hold a bus



John Prescott, Secretary of State for Transport, announcing his plans for the buses yesterday - including fare cuts for pensioners Neville Elder

industry summit in the autumn, on similar lines to the rail summit held last month in response to appalling performance levels. "Buses represent the best opportunity for leading a renaissance of public transport in this country. At the end of the day, it is what the passenger wants that matters," he said. Other measures, most of

which would need legislation, include:

■ Tougher powers for traffic commissioners, who currently license bus operators, to fine operators for services that fail the passenger;

■ New laws to allow councils to stipulate service standards, with failure enforced by traffic commissioners;

■ Forcing operators to notify commissioners of plans to alter the timetable 21 days in advance, to prevent companies launching "bus wars" by running services five minutes ahead of competitors;

■ A pilot project in Wales to enable passengers to get information on rail, bus, coach and metro services through a single

telephone call or on the Internet;

■ Powers to force operators to offer tickets for use on trains.

Bernard Jenkin, the Conservative transport spokesman, said: "Once again it looks like all talk and no action. Another glossy brochure, another launch, but people's travelling lives are still a misery."

Matthew Taylor, the Liberal

Democrat spokesman, said:

"Waiting for government action on buses is like waiting for a bus in most areas. There is no sign of it turning up and the timetable is missing. Labour promised better buses last July. This consultation document repeats that promise nine months later, but still there is no legislation to put it into action."

Woman drank as girls, 8, drowned

BY ASHLEY BROADLEY

TWO EIGHTY-ONE-YEAR-OLD girls drowned in a river while the woman who was meant to be looking after them was drinking and smoking cannabis, a court was told yesterday.

Wendy Dodd, 41, pleaded guilty at Leeds Crown Court to wilful neglect of Jasmine Neville and Charles Fox, who died in the River Wharfe near Arthington, West Yorkshire. A verdict of not guilty was recorded on two counts of manslaughter.

Mr James Stewart QC, for the prosecution, said a group of people, including Dodd, and Charles's parents, David and Maxine Fox, went to the river on 21 July 1997 for a barbecue to celebrate Charles's eighth birthday. He said witnesses had described the adults as being "the worse for wear", and told the court that Dodd, formerly of Burley, Leeds, had been left alone with Charles and Jasmine, also from Burley.

Dodd had seen two gypsy boys and invited them over "for a split", the court heard. It was after this she realised the girls were missing. At 10.20pm divers found their bodies in deep water.

Mr Justice Poole postponed sentencing pending medical and psychiatric reports. Dodd was released on bail.

Robert Fitzgerald, the partner of Jasmine's mother, Joanne Shaw, said: "We are pleased the trial is over."

City lawyer will be new Rail Regulator

BY PHILIP THORNTON
Transport Correspondent

THE GOVERNMENT yesterday chose a City lawyer to fill the key £165,000-a-year post of Rail Regulator.

The decision to appoint the surprise candidate Tom Winsor, 41, was seen as recognition that raising investment rather than capping profits of the railway industry was a priority.

He was selected ahead of Chris Bolt, who had filled the post temporarily since December. Mr Bolt set out his credentials last year when he warned Railtrack that he would cap its profits by £100m a year unless it was prepared to take more risks. Railtrack had warned that this meant it would be able to borrow £1bn a year less on the money markets.

Mr Winsor, who will take over on 5 July, will have the task



Winsor: 'Second of three key rail appointments'

of reviewing Railtrack's investment programme.

"This is the second of three key rail appointments which look to the future of the railway industry," said the Deputy Prime Minister John Prescott.

The first key appointment was that of Sir Alastair Morton as chairman of the British Railways Board and also boss of the

shadow Strategic Rail Authority. The third appointment, that of a new director of Passenger Rail Franchising, will be announced shortly.

On Thursday, Railtrack is to announce a £27bn investment in Britain's railways over the next 10 years. The first Rail Regulator, John Swift, was critical of the rate of Railtrack investment when he held the regulator's position from 1993 until the end of 1998.

Mr Winsor has been working at the Office of the Rail Regulator since 1993 - first as chief legal adviser and then as a general counsel to the regulator working on reorganisation, restructuring and regulation of the rail industry.

Shares in Railtrack surged two per cent on yesterday's news. One City analyst said: "The only goal that Chris Bolt had was to beat up a few shareholders."

'Dirty, filthy lies,' says man charged with war crimes

ANTHONY SAWONIUK, the pensioner charged with murdering Jews more than 50 years ago, yesterday claimed that he was the victim of "dirty, filthy lies".

During another emotional session at the Old Bailey, Mr Sawoniuk once again insisted he was innocent and accused those witnesses who had spoken against him of fabrication. "These people are animals," he said. "I have more sympathy with animals than your witnesses. They are not human beings."

Mr Sawoniuk, 78, a retired British Rail ticket collector from south London who moved

BY ANDREW BUNCOMBE

to Britain shortly after the Second World War, is charged with murdering Jews while serving as a locally recruited police officer in Nazi-occupied Belarus between 1941-1944. During that time he is alleged to have killed more than a dozen Jews while leading "search and kill" operations, rounding up people who escaped a massacre in September 1942 in which more than 2,900 were killed in one day.

Last week the judge, Mr Justice Potts, dismissed two of the four counts of murder on the grounds of insufficient ev-

idence. The remaining two counts contain the details of 18 alleged killings.

Mr Sawoniuk, who took to the stand to speak in his own defence, last week admitted being a police officer in his home town of Domachevo. But he denied murdering the town's Jewish citizens, saying they were his friends.

Yesterday he said he could not have been a member of the SS, as he was accused, he said, by the Metropolitan Police officers who interviewed him, because he could not speak German.

The hearing continues.

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Clinton says there may be US losses

WITH KOSOVO descending into all-out war and the US special envoy, Richard Holbrooke, heading to Brussels after a failed mission to Belgrade, President Bill Clinton prepared the American public for full-scale military intervention. He also warned that it might lead to US casualties.

Condemning the intransigence of the Yugoslav President, Slobodan Milosevic, Mr Clinton said yesterday: "If he will not make peace, we are willing to limit his ability to make war over Kosovo. We will limit his ability to win a military victory and engage in ethnic cleansing and slaughter innocent people." Mr Clinton said that, "like any other military action, there are risks in it".

He was addressing an audience of civil servants in Washington in a speech that had been planned to deal with pension reform, but which was rewritten to incorporate an explanation and defence of US policy in the Balkans.

Couched at times in the language of an elementary textbook, the speech was a clear attempt by the President to counter criticism that he had not justified intervention in Kosovo as being in US interests. The speech was broadcast live by all the main US cable news channels.

While preparing the American public for new military intervention overseas, Mr Clinton was faced with a host of dilemmas about its timing. Republicans in Congress, especially in the Senate, were strongly resisting the use of military force over Kosovo.

The expected arrival in Washington of the Russian Prime Minister, Yevgeny Primakov, also contained the

BY MARY DEJEVSKY
in Washington

seeds of an embarrassing diplomatic rift. However, the visit was cancelled after the Russian Prime Minister ordered his aircraft to turn round in mid-air and return to Russia. "He just turned his plane round in mid-atlantic?" a reporter asked the White House spokesman, Joe Lockhart. "That is correct," Mr Lockhart said. Mr Primakov had already expressed his opposition to any use of



Primakov: Turned plane round in mid-air

force by Nato before he left Moscow and during a stopover in Ireland.

US military action threatens the work of the international peace-keeping operations in former Yugoslavia - to which Russia contributes - and the concept of the "Partnership for Peace". This programme was designed to foster co-operation between Nato and states along the periphery of the alliance, including Russia.

It would also endanger the image of East-West peace and unity that the US wants to project at next month's celebrations in Washington for the

50th anniversary of Nato. The recent accession of the three new Nato members was held outside Washington and kept low-key so that next month's Nato anniversary did not offend Russian sensibilities by appearing "triumphalist".

Authorising Nato air strikes during US-Russian discussions about the anniversary arrangements could jeopardise the whole project.

In the event, the threatened congressional revolt turned out to be the least of Mr Clinton's difficulties yesterday.

After an hour-long meeting at the White House - the second in a week - Republican leaders said they would reluctantly support military action and abandoned a motion that would have required the administration to obtain congressional approval first.

Trent Lott, Republican majority leader in the Senate, said that he was preparing to reword a motion opposing military involvement to express mere "reservations" but also support for US troops. "I am going to support the air strikes," said Senator Mitch McConnell of Kentucky, who had been one of the most forthright opponents.

And Senator Kay Bailey Hutchison of Texas told reporters: "Many of us disagree with the policy, but I think it becomes a different issue when action is imminent."

"Imminence" was reportedly how Mr Clinton described the likelihood of Nato air strikes. That the decision had been taken at least in principle was confirmed by Pentagon sources who made known that, following the failure of Mr Holbrooke's last-ditch pleas to the Yugoslav president, "the countdown to air strikes has begun".



An ethnic Albanian man fleeing the Serbs in Kosovo waiting outside a refugee registration centre in Skopje, Macedonia, yesterday
Damir Sagolj/Reuters

British army commander with a tough reputation

BY JOHN DAVISON

THE BRITISH commander of the 10,000 Nato troops in Macedonia sought yesterday to dispel ideas that his force could be used for a land attack on Kosovo. Its only role was to implement any peace accord, he stressed.

"There is speculation that we have other roles and I want to kill this speculation," said Lt-Gen Sir Mike Jackson. "We are here to do one thing and this is to implement a Kosovo peace agreement when and if it occurs."

The plan is eventually to deploy a total of 28,000 Nato troops in Kosovo to police an agreement on granting the province autonomy from Serbia. Nato has said any hostile move on the part of Belgrade towards the force in Macedonia would be "a great mistake".

Lt-Gen Jackson, a former commander in the Parachute Regiment, has been dubbed "Britain's toughest-looking soldier" in the media and "the Prince of Darkness" by his troops, because of his sunken features. His own view is simply that he has a "well lived-in face".

His new Balkan role comes because of his position as commander of Nato's Allied Rapid Reaction Corps, which is undertaking the operation. Its headquarters staff of 1,000 officers, of which about half are British, will be supplemented by a further 2,000 troops from the Royal Signals if full deployment takes place.

The mission is Lt-Gen Jackson's second experience of peace implementation in the Balkans, having commanded the British contingent in Bosnia between 1995 and 1996.

After joining the army at 19, he was commissioned into the Intelligence Corps and took a

degree in Russian at Birmingham University before going on two years secondment to the Parachute Regiment.

It was after this that he decided to transfer permanently to the regiment. In an unconventional move for an ambitious corps officer, and saw two periods of service with them in Northern Ireland before taking command of 1 Battalion from 1984 to 1986.



Lt-Gen Sir Mike Jackson: "We're here to do one thing"

After a series of staff jobs and the higher command course, in 1989 he spent six months on a fellowship at Cambridge writing a paper on the future of the British army.

He has commanded 3 (UK) Division, the job which took him to Bosnia, and is a former director-general of development and doctrine, the army's own "think-tank".

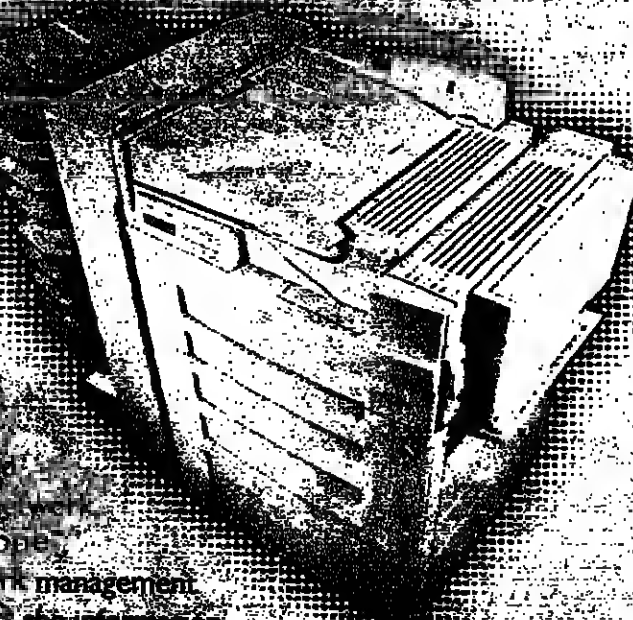
Lt-Gen Jackson, who celebrated his 55th birthday on Sunday, married his second wife Sarah in 1983. The couple have a son Thomas, aged eight, and Sir Michael has two grown-up children from his first marriage. His interests include travel, music, reading, skiing and tennis.

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As Mr Primakov moved quickly yesterday to put out this latest fire, back home in Moscow another one had taken hold. In an unprecedented move, the chief prosecutor Yuri Skuratov — still smarting from being caught on video with two prostitutes — sent a team into the Kremlin to seize documents as part of a corruption probe. Mr Yeltsin has been pressing for Mr Skuratov's resignation amid a deepening political battle in Moscow which has drawn in parliament, the central bank, a leading oligarch, the premier, and the presidency.

Tensions in Macedonia could spark Balkan war



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Germany urges deal to solve EU crisis

BY STEPHEN CASTLE
in Brussels

TWO DAYS of intense horse-trading among Europe's leaders begins today with a blunt warning from Germany that only a deal on financial reforms can prevent a "serious crisis" which could alienate Europe's citizens.

The message, from Gerhard Schröder, the German Chancellor, came on the eve of a summit which must now grapple with two of the European Union's biggest problems of recent years: the need for agreement on future funding and the vacuum in Brussels after the mass resignation of the European Commission.

When leaders gather in the Intercontinental Hotel in Berlin, they face a multi-layered set of negotiations expected to go to the wire. Mr Schröder, who chairs the summit, has an uphill battle to win concessions from Tony Blair over the British budget rebate, and faces similar intransigence from France over agriculture. He must also try to meet hopes that a new Commission president, proba-



French farmers blowing straw on to riot police (left) yesterday as others burn barricades during a protest over Europe's agricultural policy reforms

bly Romano Prodi, the former Italian prime minister, can be appointed as soon as Friday.

A deal is not expected until the small hours of Friday morning, when an array of compromises should be stitched together. Mr Schröder's pre-summit letter to fellow leaders

stresses how "difficult" and "arduous" the discussions will be. This is because the bulk of the talks focus on the thing that matters most to member states: money.

Perversely, the convulsions in Brussels have improved the prospects of a deal on financial

reform. Mr Schröder's letter argues that "following the resignation of the European Commission, it is even more urgent to conclude Agenda 2000 [EU reforms] in order to safeguard the EU from serious crisis - at least in the public perception". Britain's role is likely to be

central because of a continuing push by other members against its £2bn annual rebate. Germany is determined to cut its net annual contributions of £8bn and has for months been trying different tactics to target the rebate.

With deadlines looming, dif-

ferent ideas have been floated, including the notion that the rebate should be swallowed in a general mechanism helping all big-paying countries.

The latest German papers state that the rebate "will be maintained, but go on to suggest a series of moves which

could cost the UK hundreds of millions of pounds a year.

Politically, Bonn realises that Mr Blair cannot return to the UK having surrendered the rebate negotiated by Margaret Thatcher. The Prime Minister has, however, some leeway because Britain stands to gain some "windfalls". Signs of a concession by Italy should allow a change in the way national budget contributions are calculated.

At present contributions are based on national VAT receipts, hurting countries such as the UK and Germany, which are efficient at collecting the tax, but benefiting Italy, which is not. A move to a system based on gross national product helps

both Germany and the UK - which would gain around £100m. Similarly, a move to allow nations to retain 20 per cent, rather than the current 10 per cent, of the cash they collect for Brussels from customs duties and levies will help big trading nations, including the UK, which gains £89m.

This cash could simply be surrendered or used to finance reforms to the rebate that Bonn wants. Whitehall is resisting but British officials concede that the aim is to ensure that the UK will not be worse off. The rebate does not cover spending outside the EU, including support for countries expecting to join; once new members are inside the cash would be rebated - something Germany wants to curb. An alternative is to exempt EU administration costs from the terms of the rebate. British concessions could depend on the outcome of agriculture talks which might also save money. Here the villain is Paris, which wants to postpone reforms.

President Jacques Chirac has described the common agricultural policy agreement as a "proposal" and has had to contend with large-scale protests by French farmers. Will the total package be enough for Mr Schröder to sell to the German public? Wisely, the Chancellor is playing down expectations: he wants results, he says, but is "not expecting a big lottery win".

Leading article, Review, page 3.
Roy Jenkins, Review, page 5

Blair wants to ban 'gatecrashers' from meetings

TONY BLAIR is to call for sweeping changes to the workings of the Council of Ministers, the European Union's key decision-making body, as it prepares for enlargement to include up to 10 more countries.

Britain is drawing up proposals to prevent Council meetings being bogged down in rambling discussions. Ideas include time limits on debates; a ban on "gatecrashers" turning up for meetings they should not attend; and sticking to strict agendas.

The plans are included in a Foreign Office paper, seen by *The Independent*, which draws on the lessons from Britain's six months in the EU's rotating presidency last year.

Mr Blair sees an opportunity to push for reforms after the crisis which has engulfed the EU since last week's report accusing the European

BY ANDREW GRICE
Political Editor

Commission of fraud and mismanagement. The Prime Minister has already called for big changes to the Commission, and, as the Berlin summit of EU leaders gets underway today, is expected to publish a joint reform programme for Brussels with Austria. It will include the appointment of a "fraud-buster", modelled on Britain's National Audit Office, with the power to summon officials and to investigate all areas of EU spending.

In an interview on the eve of the summit, Mr Blair was sceptical about calls for the Council to be made more open. "It is all very well to say the Council of Ministers should be far more open but you might find it becomes less effective as a body if you did that," he said.

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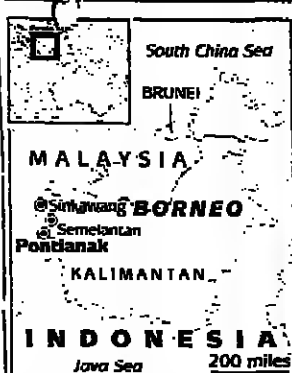
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Carnage and cannibalism in Borneo as ethnic conflict rages

BY RICHARD LLOYD PARRY
in Singkawang,
Indonesian Borneo



WESTERN PARTS of Borneo were in a state of anarchy last night after Indonesian soldiers opened fire on headhunting Dayak warriors in a drastic escalation of the island's savage ethnic war.

At least five Dayaks were shot dead during a gun battle with police in the district of Semelantan, in the West Kalimantan province where thousands of tribesmen are gathering from across western Borneo in a human manhunt.

More than 200 people, including young babies, have been decapitated and cannibalised in the area, where Dayak leaders and the Indonesian military have lost control of the local population. Hundreds more are being hunted down and butchered at the rate of some 30 a day.

The scenes along the road between the town of Singkawang and the village of Montrado yesterday afternoon defied belief. Five severed heads were displayed at checkpoints along the way, including those of a teenage boy and a middle-aged couple. Young warriors, armed with guns and wooden spears and smeared with blood, walked along the road openly carrying the hearts and livers of their victims as wumoes and children looked on.

A few miles away, a group of a dozen Dayaks were roasting and eating another body which lay dismembered on a wall. A young Dayak man boasted that he had taken part in four killings of Indonesian settlers from the island of Madura. "We



Madurese refugees hunted by Dayak Christians take shelter in Pontianak, West Kalimantan, after their villages were torched

Achmad Ibrahim/AP

caught one of them this afternoon," he said, "and we killed it and we ate it, because we hate the Madurese."

Local government officials in Singkawang estimate that up to 500 others have been killed, although an accurate count is impossible because of the nature of the killings. "Sometimes we find a leg and sometimes an arm, so it's difficult to keep count," said AR Simon, a Dayak who is administrative head of the Semelantan area. "We try

to count the heads," Elias Ubeik, Dayak chief of the village of Montrado, said that at least 70 Madurese had been killed and beheaded in his village alone. He said he had seen six or seven children with their heads cut off. "Some are shot first, some are stabbed to death," he said. "They don't care about women, children; they kill everyone, including babies. They chop their heads off and they eat them."

Mr Ubeik was threatened with death by his own villagers after giving shelter to two families who had been tied up and were about to be killed by Dayak warriors. "The people trying to kill them had come from another district and they were so angry, I was almost killed myself. I am their leader and I cannot cool them down."

The Indonesian security forces have even less control of the situation. At about 4pm yesterday, Mr Ubeik's eight refugees boarded a military

convoy which was passing through the area attempting to save Madurese fugitives. At least 150 soldiers in a dozen trucks and two armoured cars were outnumbered by a mob of Dayak warriors who followed them down the jungle road.

Five miles down the road, the Dayaks attacked with hunting rifles, and the soldiers responded with a volley of gunfire. Witnesses described them taking level aim into the jungle with automatic rifles.

Vatican nudges closer to China

BY TERESA POOLE
in Peking

WHILE A physically frail Pope dreams of one day visiting China, the Vatican is pushing for improved relations with the country, despite tough conditions set by Peking.

A state visit to Rome this week by President Jiang Zemin has prompted an olive branch from a senior Vatican official, who publicly said the Holy See was willing to "modify" its diplomatic recognition of Taiwan. Low-level negotiations have been going on for more than a decade, with Peking turn between wanting to see the Vatican sever diplomatic ties with Taipei, and fearing anything that would promote Catholicism on the mainland. For the Vatican, China represents the world's biggest potential market of converts. For Peking, the image of huge crowds gathering for a papal visit - as recently in Cuba - is unthinkable.

Now the Vatican is making the moves to reach a compromise on China's two strict conditions: that the Vatican cut diplomatic ties to Taiwan, and that it "must not interfere with China's internal affairs by means of religious activities".

This week, in an interview with the *Corriere della Sera* newspaper, the Vatican Foreign Minister, Archbishop Jean-Louis Tauran, said: "We are aware that in order to normalise our relations with Peking we will have to modify the form (of relations) with Taipei... We are willing to negotiate." Peking is demanding a severing of relations as a precondition for negotiations.

Taiwan yesterday warned the Holy See against falling for Chinese "hypocrisy". Roy Wu, the Foreign Ministry spokesman, said: "The Chinese Communist regime has always been hostile to religions. The Vatican must not be fooled by their pretence to be good."

All religions are burgeoning in China, trying to fill the spiritual void left after the ideological collapse of Communism.

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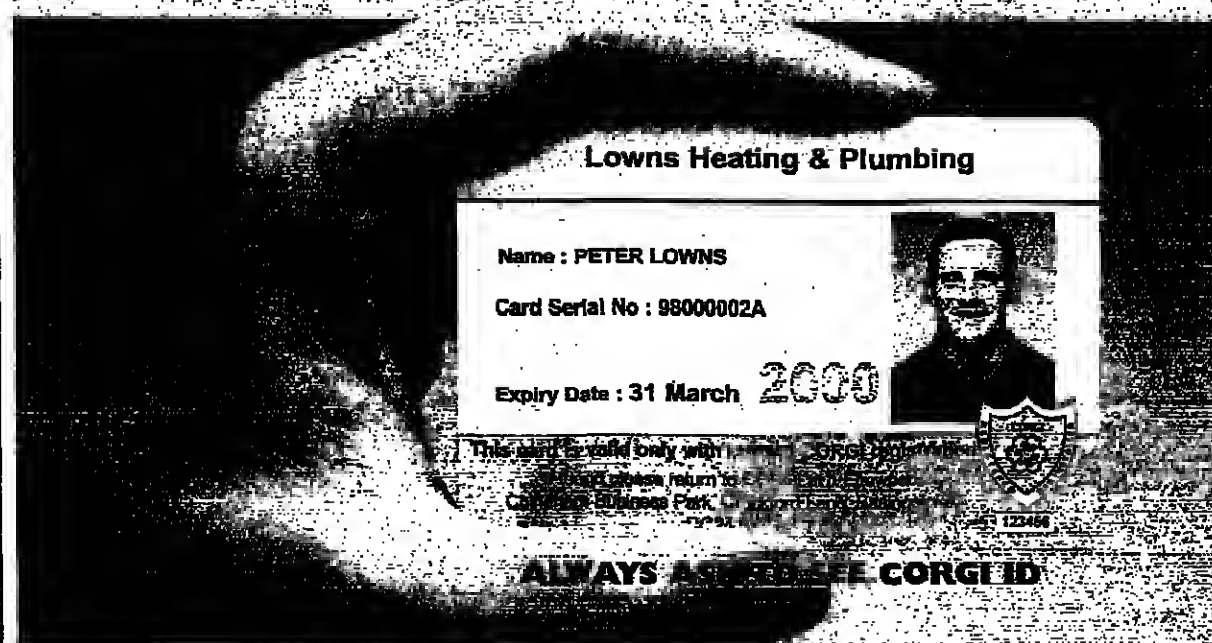
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Paraguay coup fear after assassination

PARAGUAY WAS thrust into the worst turmoil of its 10-year-old democracy yesterday after the Vice-President, Luis Maria Argana, 64, one of the country's longest-serving politicians, was assassinated in the capital, Asuncion.

The whole city shut down and residents expressed fears of a new military takeover as news spread that gunmen had fired on Mr Argana's vehicle as he drove to work yesterday morning. He was hit by at least 10 bullets in the head and body. Tension rose as troops and police poured into the streets to maintain order when the Vice-President's supporters gathered at the murder scene.

There was little doubt that the killing was the result of a power struggle among politicians of the long-ruling Colorado party, closely tied with the military that ruled for 35 years until 1989 under the dictator Alfredo Stroessner. Mr Argana

BY PHIL DAVISON
Latin America Correspondent

had been foreign minister and head of the Supreme Court under General Stroessner.

Mr Argana was in line to take over from the President, Raul Cubas, if the leader were to be removed. Congress began impeachment proceedings against the President last week, accusing him of abuse of power.

President Cubas has ordered the release of General Lino Oviedo, who had tried to launch a military coup against then president Juan Carlos Wasmosy in 1996 and was later sentenced to 10 years' jail. General Oviedo's release late last year led to a split within the Colorado party between factions supporting either Mr Cubas or Mr Argana. Paraguayans knew the split was deep but only yesterday did they realise it was deadly.

Mr Argana felt he had been



Argana: Victim of power struggle in ruling party

robbed of the party's presidential nomination, and in effect the presidency, in 1993 as a result of a military-inspired intrigue to install Mr Wasmosy as the candidate. Mr Wasmosy won the presidency and ruled until last year.

Mr Argana felt robbed again last year. He was defeated in the party primary for presidential

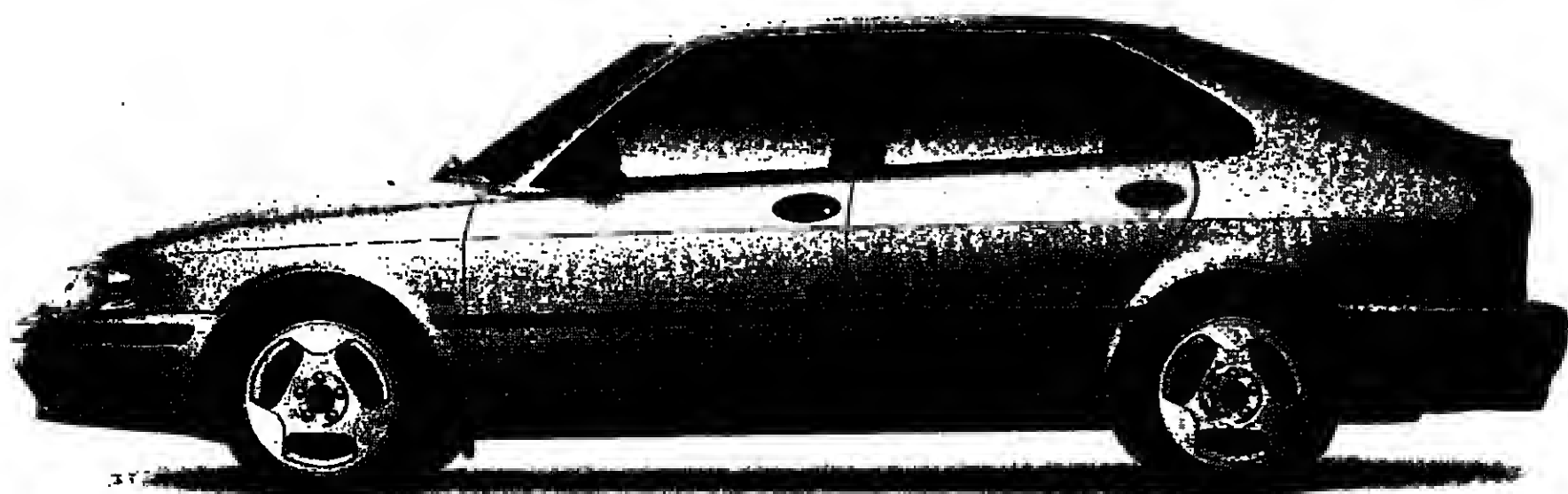
candidate by General Oviedo, who planned to run his campaign from jail but was later barred from the race. Mr Cubas was then given the candidacy, won the presidential election last May and freed General Oviedo later in the year.

Mr Argana's role as Vice-President was becoming increasingly uncomfortable after Congress, despite a Colorado party majority in both chambers, voted to start impeachment proceedings against Mr Cubas. Mr Argana had persuaded his supporters within Congress, although from the same party as the President, to vote in favour of the impeachment move. Mr Cubas's supporters were furious.

There was no indication yesterday who the gunmen were but the authorities blocked all land borders and launched intensive airport checks to stop them leaving the country. *Obituary, Review, page 7*



Former anti-apartheid cleric Allan Boesak arriving at court in Cape Town with his wife, Elina, after being found guilty of fraud and theft of funds donated to his Foundation for Peace and Justice. Sentencing is expected today. *Reuters*



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'Matey' charter irks Australia

EXTOLLING THE values of "fairness", "independence" and "mateship", Australia's Prime Minister, John Howard, released a draft for a new constitutional preamble.

The Liberal-National government says it wants public comment on the draft before putting it to the people in conjunction with a referendum on becoming a republic.

Describing Australia as a nation "woven together of people from many ancestries and arrivals", it says: "Since time immemorial our land has been inhabited by Aborigines and Torres Strait Islanders, who are honoured for their ancient and continuing cultures."

Mr Howard wrote the preamble with the help of the poet Les Murray, a defender of outback values. "Australians are free to be proud of their country and heritage," it says. "We value excellence as well as

BY JOANNA JOLLY
in Sydney

fairness, independence as dearly as mateship."

But the document, released yesterday, has been criticised as badly written, sexist and unacceptable to Aborigines.

The Aboriginal and Torres Strait Islander Commission chairman, Gatji Djerikura, criticising the reference to Aborigines, said it was always clear that Mr Howard had no plans to recognise indigenous Australians as custodians of the land rather than as "inhabitants".

Women's groups objected to the use of the word "mateship" as "coded masculine" and not representative of the contribution of women to the nation. Critics have also complained that the preamble is badly written, describing it as corny in parts.

Park war over loose dog law

AMERICAN TIMES
NEW YORK

IT IS easy to get upset about Rudolph Giuliani. His take-no-prisoners style as mayor of New York City has earned him high marks politically, as well as re-election last year. Next year, he may run for a US Senate seat (possibly against Hillary Rodham Clinton).

But the Rudy regime can seem repressive. Right now, the mayor is struggling to quell a crisis arising from a horrendous incident in early February: the shooting of an unarmed African immigrant in the Bronx by four white police officers. The shooting has crystallised resentment in the black community towards Giuliani's police force.

But anti-Giuliani sentiment also attaches itself to trivial issues. Dog-walking, for instance.

Dogs would not be natural fodder for a city's tabloid headline writers, you might imagine. Wrong. When protesters recently compared the mayor to Hitler and likened his police to the Gestapo, dogs were the issue.

Since early February, Mr Giuliani, assisted by the Parks Commissioner, Henry Stern, has been extending the zero-tolerance policy approach so effectively applied to thieves and murderers to dog owners. His mission has been to enforce the so-called "leash laws" that dictate when a dog is allowed to run without restraint from a lead.

Mr Stern has deployed armed police officers, some on horseback, daily to Central Park and Riverside Park, both popular with dog owners in Manhattan. They have been issuing summonses in blizzards. First offenders are fined \$100. Penalties go up to \$1,000 for repeat offenders.

Nobody is saying that dogs should be free to rampage everywhere. But it did not

help when Mr Stern - whose own dog is called Boomer - publicly vented about the "dog terrorists" who, he claimed, cause \$250,000 a year in damage to his parks.

He later attempted to clarify his remark. "The campaign is directed against a minority of wilful, arrogant dog owners," he said. "They're like die-hard National Rifle Association members." (He might have omitted that last part.)

The scene every morning in Riverside Park is a blend of comedy and paranoia. Dog owners complain of a "Cowboys and Indians" atmosphere, with Mr Stern's rangers popping out from behind trees and bushes to snaffle their prey. "It was a posse, an ambush," said one woman caught giving her boxer moments of leash-free frisking.

But in matters of zero-tolerance there is no room for humour. Park officials were serious when they contacted a Florida-based sculptor, Jack Dowd, about a statue he has recently completed called *Man & His Dog*. The life-size bronze is to go on display in New York's Tompkins Square Park in the Lower East Side of Manhattan, next month. And - horror - photographs of the work showed no sign at all of man and dog being connected by a leash.

Mr Dowd was able to put the city's mind at rest. When the sculpture reaches New York, it will come with leash included. It is missing only because it is sitting on a pavement outside his studio in Florida and he was afraid vandals might remove it. He has figured out a way to prove means of attaching the leash in time for Manhattan. Otherwise, Mr Dowd, it would have been \$100, payment without delay.

DAVID USBORNE

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BUSINESS

Granada stalks Scottish with £110m share buy

BRIEFING

BUSINESS REVIEW



STAGECOACH!

AN ACT OF THE THEATRE IN THE NEWS

Inside: How the boys from Yahoo! beat Rupert Murdoch and Bill Gates into Cyberspace, page 5
Losing it with flowers: the man who blew £10m, page 4
Which firm must outlive the TV channel? page 3

The 12-page Business Review, free every Wednesday

A TAKEOVER of Scottish Media Group moved a step closer yesterday after Mirror Group sold its 18.6 per cent stake in the broadcaster and newspaper publisher to Granada, the media and hotels giant, for £110.3m.

The long-awaited sale, which was flagged by Mirror Group earlier this month, puts Granada ahead of its rival ITV broadcasters, Carlton and United News and Media, in the race to take control of SMG.

Granada paid 91.5p per share for the stake, an 8 per cent premium to SMG's closing share

price on Monday. News of the sale lifted SMG shares 22p to 865.5p yesterday.

Although rules governing the amount of television advertising that can be controlled by a single broadcaster currently prevent Granada from bidding for SMG, buying the stake allows Granada to block its rivals from mounting a bid while waiting for the rules to change.

The Government is coming under increasing pressure to ease the ownership restrictions

on ITV companies as Channel 3 faces competition from the exploding number of digital channels. However, the law is unlikely to be changed before the next election.

Although Granada said it had "no present intention" of bidding for SMG, it said it reserved the right to change its stance if another group built a stake of more than 15 per cent.

This means that Granada will be free to bid if one of its rivals buys the 18.6 per cent shareholding in SMG owned by Flextech, the supplier of television channels. Flextech -

which is expected to report a pre-tax loss of around £5m when it reports full-year results today - is thought to have been in talks with a number of potential buyers about selling the stake. CanWest, the Canadian broadcaster, is believed to be interested in taking a stake.

Analysts said the situation was similar to the takeover of Yorkshire Tyne-Tees Television in 1997, when Granada gradually built a 29.9 per cent stake in the ITV broadcaster before finally launching a full bid.

John Allwood, Mirror's chief executive, welcomed the deal.

"It's great news for Mirror Group," he said. "It's clean, and it gives us the money."

Mirror has talked to a number of potential buyers about the shareholding, but settled for Granada because it was offering an immediate deal. Other options are thought to have involved buying both Mirror and Flextech's stakes as a launchpad for a full bid for SMG.

Under the terms of the deal, if Granada sells on the stake in the next 12 months it will have to pass on any profits it makes to Mirror.

Combined with the sale of the

former headquarters in Holborn for £40m, which was announced last week, Mirror has reduced its debt load by £150m in the space of a few days.

In a related development, the Independent Television Commission yesterday rejected a claim by British Sky Broadcasting that ITV should be forced to supply its new channel, ITV2, to the satellite broadcaster's platform. ITV2 is currently only available on ONdigital, the broadcaster jointly owned by Granada and Carlton, and cable television.

Outlook, page 19

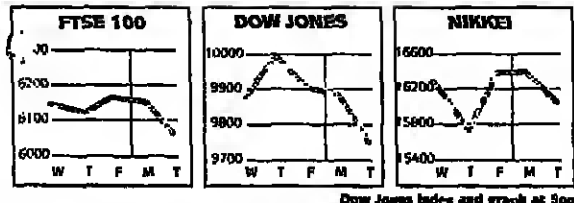
Canary Wharf float oversubscribed

THE FLOATING of the Canary Wharf office development in London's Docklands is thought to have been at least twice subscribed, prompting its advisers to bring the announcement of the float price a day forward to tomorrow. The company aims to sell a 25 per cent stake to raise about £470m to £535m.

French banks go on offensive

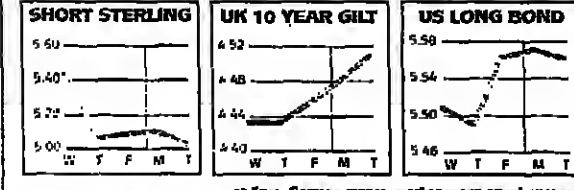
FRENCH BANKS Société Générale and Paribas, who are fighting to keep their merger plans alive following a \$39bn counterbid from rival BNP, will today go on the offensive. Société Générale and Paribas are expected to reveal that the cost savings now look likely to be higher than the £180m promised last month.

STOCK MARKETS



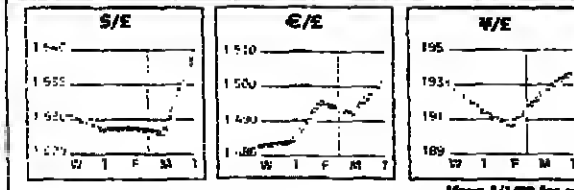
Index	Close	Change	Change (%)	52 wk high	52 wk low	Yield (%)
FTSE 100	5060.50	-92.30	-1.80	5365.40	4599.20	2.58
FTSE 250	5475.60	-12.80	-0.23	5970.90	4247.60	3.13
FTSE 350	2897.10	-38.00	-1.30	3024.90	2210.40	2.67
FTSE All Share	2897.10	-38.00	-1.30	3024.90	2210.40	2.67
FTSE Smallcap	2395.10	-4.00	-0.17	2759.80	1834.40	3.92
FTSE Fledgling	1297.80	-5.20	-0.40	1517.10	1046.20	4.08
FTSE AIM	854.30	-2.40	-0.28	1146.50	761.30	1.07
FTSE Europe 100	2838.33	-56.99	-1.97	3079.27	2018.15	2.06
FTSE Europe 300	1226.82	-22.90	-1.83	1332.07	880.63	1.94
Dow Jones	9745.85	-142.36	-1.44	10095.31	7500.30	1.62
Nikkei	16019.10	-399.69	-2.40	17111.59	12787.90	0.88
Hong Kong	11041.01	-78.22	-0.70	11926.16	8544.29	3.23
Asia Pacific	4615.03	-112.03	-2.33	5212.83	3833.21	1.25
S&P 500	1272.69	-24.21	-1.87	1323.88	923.34	1.26
Nasdaq	2349.29	-46.24	-1.93	2534.44	1357.09	0.29
Toronto 300	5503.60	-93.07	-1.61	7837.70	5320.90	1.63
Brazil Bovespa	10395.99	-139.32	-1.31	12339.14	4575.69	5.50
Bombay BSE	3214.60	-78.22	-2.39	3713.21	2696.26	2.82
Argentina Merval	532.58	-11.95	-2.13	600.65	366.58	1.84
France CAC 40	4079.47	-117.59	-2.80	4404.94	2891.21	1.77
Madrid IBEX 35	3519.00	-66.00	-1.88	3917.00	2417.00	1.07
Nairobi NSE	9128.40	-226.70	-2.46	10989.80	6669.90	1.79
Indian Overall	5373.49	-57.33	-1.06	5581.70	3734.57	1.55
Indonesia	514.25	6.80	1.32	511.25	277.37	1.30
Australia ASX	2847.50	2.10	0.07	2956.30	2386.70	3.06

INTEREST RATES



Index	3 month	6 month	1 year	10 year	30 year	Long bond	Yr. chg.
UK	5.35	-2.21	5.27	-2.29	4.51	-1.41	4.48
US	5.00	-0.62	5.32	-0.50	5.56	0.32	0.32
JP	0.18	-0.52	0.23	-0.41	1.80	0.03	2.61
Germany	3.02	-0.51	3.01	-0.78	4.00	-0.88	4.96

CURRENCIES



Index	1 March	1 April	1 May	1 June	1 July	1 Aug	1 Sept	1 Oct	1 Nov	1 Dec	1 Jan	1 Feb	1 Mar
£/\$	1.6385	1.6101	1.6175	1.6100	1.6072	1.6072	1.6072	1.6072	1.6072	1.6072	1.6072	1.6072	1.6072
¥/\$	159.10	159.10	159.10	159.10	159.10	159.10	159.10	159.10	159.10	159.10	159.10	159.10	159.10
\$/£	0.6101	0.6175	0.6100	0.6072	0.6072	0.6072	0.6072	0.6072	0.6072	0.6072	0.6072	0.6072	0.6072
£/¥	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063
¥/US\$	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063	0.0063

OTHER INDICATORS

Index	1 March	1 April	1 May	1 June	1 July	1 Aug	1 Sept	1 Oct	1 Nov	1 Dec	1 Jan	1 Feb	1 Mar
Gold (\$/oz)	282.95	282.95	282.95	282.95	282.95	282.95	282.95	282.95	282.95	282.95	282.95	282.95	282.95
Oil (\$/bbl)	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90
Base Rates	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

TOURIST RATES

TOURIST RATES			
Australia (\$)	2.4664	Mexican (nuevo peso)	14.46
Austria (schillings)	19.92	Netherlands (guilders)	3.1927
Belgium (francs)	58.55	New Zealand (\$)	2.9053
Canada (\$)	2.3933	Norway (kroner)	12.29
Cyprus (pounds)	0.8374	Portugal (escudos)	289.04
Denmark (kroner)	10.85	Saudi Arabia (rials)	5.9258
Finland (markko)	8.6501	Singapore (\$)	2.6723
France (francs)	9.5155	South Africa (rand)	9.6310
Germany (marks)	2.8464	Spain (pesetas)	240.68
Greece (drachma)	467.25	Sweden (kronor)	13.02
Hong Kong (\$)	12.22	Switzerland (francs)	2.3252
Ireland (pounds)	1.1411	Thailand (bahts)	55.14
India (rupees)	61.97	Turkey (liras)	573842
Indonesia (rupiah)	6,0449	USA (\$)	1.5886
Italy (lira)	2820		
Japan (yen)	168.90		
Malaysia (ringgits)	5.8677		
Malta (lira)	0.6205		

Rates for indication purposes only

Source: Thomas Cook

Rates for indication purposes only
Source: Thomas Cook

BTR and Siebe pay £500,000 to become Invensys

BY MICHAEL HARRISON
Business Editor

BTR SIEBE, the merged automation and controls group, yesterday joined the growing band of companies which are adopting meaningless new names by announcing that it is henceforth to be known as Invensys.

The name was chosen after a four-month trawl through 3,000 possibilities. The exercise has cost shareholders £500,000 - of which £400,000 has gone on legal search fees and £100,000 to pay the corporate rebranding gurus, Interbrand, Newell and Sorrell.

The company whittled down the 3,000 possible names to a shortlist of five, which was then put to a secret ballot of the board and its 50 most senior executives.

Lord Marshall, the chairman of BTR Siebe, declined to say whether Invensys was the name he voted for. But he was said to be "very happy" with the result of the ballot.

Invensys, which is apparently suggestive of innovation, inventiveness and BTR Siebe's drive towards systems solutions, was "head and shoulders" above the alternatives, a spokesman added.

He conceded that one option would have been to keep the existing name but neither BTR nor Siebe were strong enough brands in themselves, unlike, say, Honeywell and Siemens.

The name change is subject to shareholder approval at an extraordinary meeting in April.



Sir Paul Nicholson, Swallow chairman, will resume talks with other interested parties

Vaux job losses loom as brewery buyout talks fail

BY ANDREW VERITY

SWALLOW GROUP, the Sunderland-based brewery, pubs and hotels company, has terminated discussions with a management buyout team seeking to rescue its breweries from closure. The failure of the MBO may result in 600 job losses.

Swallow, known as Vaux Group until a month ago, briefed staff at its landmark brewery in Sunderland to warn them of redundancies after non-executive directors voted the buyout.

Peter Catesby, chief executive, said the talks had finally collapsed over a supply agreement which, according to observers, would have forced

Swallow to subsidise the buyout team by committing itself to a three-year supply deal.

"The real issue was the difference in value between the alternatives and the management buyout," he said. "The buy-out had to be in the best interests of the shareholders and the fact that all the jobs would have been saved."

The collapse of talks followed initial questions in the City over the value to shareholders of the £88m price tag for the MBO, which would have included 350 Swallow pubs and the two breweries.

The buyout was led by Frank

Nicholson, a member of the family which has controlled Vaux for more than 120 years. Sir Paul Nicholson, current chairman of Swallow, is Frank's brother.

Martin Grant and Neil Gosage were dismissed as chief executive and finance director of the group last month after they raised concerns about the MBO proposal behind the board's back with leading shareholders. One shareholder said their position had been vindicated by yesterday's developments.

Swallow intends to resume discussions with other interested parties in its efforts to sell the brewery.

Inflation drop renews calls for rate cut

BY LEA PATERSON

INFLATION HAS fallen below the Government's target for the first time since Bank of England independence, official figures revealed yesterday, prompting fresh calls for UK interest rate cuts.

Heavy discounting on the high street helped take the underlying inflation rate down to 2.4 per cent in February, the first time it has dipped below its 2.5 per cent target since November 1994. Falls in second-hand car prices were another factor behind the surprise 0.2-point tumble in underlying inflation, according to data from the Office for National Statistics (ONS).

There was an even sharper fall in the headline rate of inflation, which dropped 0.3 points to a five-year low of 2.1 per cent. Recent falls in borrowing costs, which are not included in the underlying inflation measure, wiped almost 0.2 points from the headline rate in February.

Additional downward effects on inflation came from alcohol and chemist goods, although these were partially offset by food price inflation, which hit a two-and-a-half year high.

Sterling weakened to over 67p against the euro following the release of the figures, although it later made up lost ground to close at 68.6p. Short sterling

surged as analysts re-evaluated the chances of another interest rate cut next month.

The data prompted renewed rate cut calls from industry. Ian Peters, deputy director general of the British Chambers of Commerce, said: "The figures strengthen our view that the Bank of England should cut rates by half a per cent."

Analysts warned that the next set of inflation figures, which will take account of Budget increases in tobacco and petrol duty, are likely to be less favourable. The Budget changes could add almost 0.5 per cent to headline inflation, according to the ONS. However, few analysts thought these temporary effects would stand in the way of further rate cuts from the Bank.

Speaking in Manchester last night, DeAnne Julius, a member of the nine-strong Bank of England Monetary Policy Committee, said she hoped flexibility in the service sector would allow the economy to combine a high level of employment with low inflation.

Data released by the Engineering Employers' Federation yesterday showed that pay deals in the sector stabilised in the three months to February at 2.6 per cent.

Exercise bikes pedal into the RPI

PRICES OF food processors and exercise bikes have been newly included in the latest inflation figures, as government statisticians struggle to ensure official data reflect changing fashion trends, writes Lea Paterson.

The Office for National Statistics has also deemed dried cat food, television and computer repairs, and electric keyboards popular enough for inclusion in the Retail Prices Index, the official measure of inflation.

Among the casualties are traditional children's knee-length coats, which have been replaced in the index by shorter children's jackets after falling out of favour with modern parents. Car brake pads and washing machine repairs also number among the new inclusions.

The exclusions include packet soup and malt vinegar, both of which have been dropped as part of the annual RPI update.

Surveys show that these account for such a small proportion of expenditure that changes in their prices have virtually no impact on real income.

Despite the statisticians' best efforts, RPI changes are often slow to pick up on new consumer behaviour. Personal computers were only included last year, while Doc Martens and mobile phones were in every high street long before they turned up in official price measures. Women's cardigans have been reinstated to the index after several years' absence, even though their foray into the fashion spotlight is now well and truly over.

Officials at the Office for National Statistics stress that RPI changes are based on careful study of expenditure surveys, not individual tastes. These reassurances aside, few were surprised yesterday to learn that anoraks have, for many years, been a key RPI constituent.

AROUND THE WORLD'S MARKETS

LONDON

SHARES SUFFERED another reverse with the blue chip Footsie index down 92.3 points at 6,060.5.

Weakness in overseas markets, particularly New York, were cited as the reasons for the decline. The supporting indices also gave ground.

P&O, the shipping group, was one to steam against the tide, rising 45p to 860.5p. The shares responded to better-than-expected profits and the group's intention to dispose of its non core operations.

Derek Pain, page 21

NEW YORK

US STOCKS suffered their biggest drop in almost six weeks, amid concerns about falling profits at some of the country's largest blue-chips. By early afternoon, the Dow Jones Industrial Average was trading 157.9 points lower at 9732.61. The Nasdaq Composite fell 47.94 points to stand at 2348.

Coca-Cola was among the Dow's biggest fallers after Merrill Lynch cuts its earnings estimates for the company. Technology stocks were also in decline.

TOKYO

JAPANESE SHARES fell yesterday as domestic investors took profits ahead of the end of the fiscal year on 31 March. The Nikkei index closed down 359.68 points, or 2.2 per cent, at 16,018.10.

Dealers said that the fall had been sparked by a round of selling by institutions and companies, eager to boost their balance sheets before the end of the fiscal year. A number of Japanese blue-chips are believed to have unwound their cross-shareholdings in an attempt to flatter performance.

SAO PAULO

BRAZILIAN stocks followed international markets lower. In early trade, the Bovespa index was down 0.3 per cent at 10,495 points. Utility companies led the fallers amid heavy profit taking.

Renewed optimism over Brazil's privatisation programme had pushed the shares higher in recent weeks. Markets failed to be moved by the Brazilian Central Bank's decision to trim overnight interest rates by 0.01 per cent. "It wouldn't have any great effect", one trader said.

FRANKFURT

THE GERMAN stock market closed sharply lower, hit by Monday's heavy losses on Wall Street and increasing uncertainty over the Kosovo crisis. The Xetra DAX index finished more than 3 per cent down at 4,870.49 points, within a whisker of the psychologically important 4,800 level. However, the blue-chip Deutsche Telekom phone group closed 0.4 per cent higher at 37.70 euros, on speculation of further rationalisation in the telecommunications sector.

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to come**

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Shares suffer in another poor day

FOOTSE has fallen 275 points since hitting a peak just eight trading days ago. Much of the retreat has occurred in heavy trading with daily turnover usually exceeding 1 billion shares.

So is the stock market merely suffering from an attack of vertigo or is the long decline that the bears have so often predicted at last starting to take place? That is the question occupying market professionals who are undoubtedly worried by the display since the record 6,335.7 level was achieved.

Their dilemma is increased by the new style market which has evolved in recent months. Last year a 1 billion turnover was the exception rather than the norm. This year volume has topped 1 billion on most trading days.

Many institutional traders are anxious to take a more active role in playing Footsie constituents. They have been

MARKET REPORT



DEREK PAIN

Tokyo's rally were other influences on a market which could have done with some corporate inspiration.

There was again an array of bids and deals outside the Footsie domain. Granada splashed out £110.3m (915p a share) for the Mirror's 18.5 per cent stake in Scottish Media sending the shares 22p higher to 865.5p. Flextech, figures today, has an 18.5 per cent SMT stake and, the market believes, could be happy to accept the Granada price.

Fitch, the design group, rose 21.35p to 59p on a 62p agreed US bid and Jarvis Hotels, another where a possible predator lurks, jumped 36.5p to 158.5p. Leicester City, where a bid seems to be kicking

around, scored a 4p gain to 45.5p. Property group Greycoat, resisting a bid from George Soros related Delancey Estates, rose 5.5p to 205.5p.

But Regent Inns was at one time down 21.5p on the failure of its merger talks with rival SPL. Hopes that the pubs chain is still in play had reduced the loss to 5p at 167.5p by the close. SFI was unchanged at 193.5p. Swallow fell 10.5p to 258.5p as plans to sell its breweries and 350 bottom-of-the-barrel shops floundered with the management buy out team presumably unable to meet the asking price.

Among blue chips Telewest Communications was spurred by thoughts that the 30 per cent stake held by MediaOne, merging with Comcast, will

encourage it to do so by the introduction of the computerised order book. It was bound to increase Footsie's volatility. The index's higher altitude also contributes to the oomf commonplace yawning swings.

Although the jury is still out on the likely market direction there is no doubt that what has always been a difficult read has become much harder.

New York's failure to consolidate, after the briefest of fluctuations, above 10,000 points has certainly undermined London confidence. But the likelihood of more interest rate cuts and the growing expectation that the economy will be subjected to a soft landing are

among the more encouraging signs. The current round of company results have also been much better than at one time seemed likely.

The Dow Jones Average, off more than 100 during London's opening, was largely responsible for the latest fall, taking Footsie down 92.3 to 6,060.5. Weak European markets and a sudden end to

be sold, putting the cable TV group into play; the shares gained 10p to 263.25p.

P&O was buoyed 45p to 860.5p following results and the appearance of a disposal programme. Iceland's figures left the shares up 8.5p at 283.5p with Warburg Dillon Read suggesting a 340p target.

Cable & Wireless, ahead of a Henderson Crosthwaite investment dinner, fell 11p to 730.5p and WH Smith dropped 18.5p to 590p after a Merrill Lynch downgrade. Smith's is thought to be on the verge of joining companies offering a free internet service provider.

Oils were little changed by the Opec pledge to cut production with BP Amoco hardly moved at 1,002p.

Scottish & Newcastle, the nation's biggest brewer, fell 19.5p to 675p, not far from its 12-month low, on worries that profits are under pressure and a downbeat trading statement

SHERRY FITZGERALD, an Irish auctioneer and property agent embracing the country's largest estate agency network, is coming to AIM and bringing with it the euro.

The nominal value of its shares will be measured in euros - each will be 0.12 of the currency. The flotation price, presumably in Irish punts, has not been fixed but the group intends to raise IR£3.5m. The shares will be traded in London and Dublin.

is being prepared. There is talk that Scottish has been saying that City profit forecasts, around £15m for the year to May, are too high. Last year the group rolled out £22m. Tesco, setting up shop in South Korea, firmed 2.5p to 166p.

Some waters were strong following an investment conference organised by WestLB. Yorkshire Water rose 30.5p to 457p.

MSB International, the IT group related to Crystal Palace's beleaguered chairman Mark Goldberg, slumped 52.5p to 172.5p after forecasting profits of £11.5m, which, it claimed, was in line with expectations.

There was action among some of the smaller exploration and mining shares. Arcon International rose 1p to 13p as its Galmoy zinc mine in Ireland was given a projected 15 years life, up from 10 years, and Arminex held at 13p after raising £700,000 via a placing.

SEAQ VOLUME: 1.2bn
SEAQ TRADES: 92,278
GILTS: 115.68 -0.29

Iceland's bright ideas bring booming sales

BY ANDREW VERITY

ICELAND, the high street food retailer, trumpeted the vindication of its strategy of putting "the heart before the head" yesterday when it posted a double-digit increase in sales for the second successive year.

The group said successful experiments with home deliveries, coupled with a high-profile stance on genetically modified foods, had contributed to a 13 per cent increase in "same condition" sales in the year to January - three times the level of its nearest rival, Tesco.

Shares rose 3.6 per cent to 283.5p on the back of a 27 per cent increase in profits at Iceland, which until two years ago was thought to be nearing the end of its shelf life.

Malcolm Walker, chairman and chief executive and the founder of the chain, said the jump in sales was the fruit of a series of intuitive decisions, against the grain of conventional retail wisdom.

"We invented home delivery. We were the first to offer telephone shopping in this country and we are the only provider."

We banned GM products when the rest of the industry was dithering - and I still take personal credit for coining the phrase "Frankenstein food", he said.

Once regarded as a retailer specialising in frozen food at

bargain prices, Iceland struggled to compete in the early 1990s as Tesco, Sainsbury and Asda lured customers away to out-of-town superstores.

Its shares underperformed the market and the sector for five years, hitting a nadir in late 1996 when they languished at less than 80p. It was at that point that Mr Walker decided on a radical change of strategy.

The first initiative, home delivery, was introduced in 1997. It showed instant results. Iceland's four million customers could have their shopping delivered to their home, at no charge, after selecting items at a store. Home deliveries, now costing £1, represent 11 per cent of Iceland's sales - and the service is growing in popularity.

Iceland has also been helped by key management changes, with the appointment of Russell Ford as trading director and Andrew Fritchard as group financial director. Bernard Leigh, the deputy chairman, will retire this year.

Mr Ford has pushed through changes to Iceland's style, eschewing price competition in favour of "pulse-racing deals", such as two chickens for the price of one. Staff have been asked to be more informal, joking with customers to sepa-

ICELAND: AT A GLANCE

Market value: £495.4m, share price 283.5p (+8.5p)

Trading record 1994 1995 1996 1997 1998

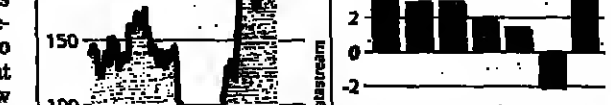
Turnover (£m) 1,020.0 1,255.0 1,427.0 1,556.0 1,741.0

Profit for the year (£m) 70.2 72.6 56.2 43.5 55.1

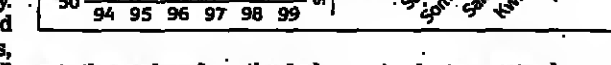
Earnings per share (p) 15.1 15.4 12.3 11.0 14.1

Dividends per share (p) 4.2 5.3 5.4 5.4 5.8

Share price



Industry comparisons % Same condition sales



rate themselves from the drab formality of the superstores. An ethical stance on GM foods - guaranteeing no genetic modification - was worth millions in publicity value. After much hand-wringing, the superstores announced similar policies earlier this month. Iceland is also leading a campaign for "honest labelling" avoiding practices such as including the giblets in the weight of the chicken.

Analysts yesterday welcomed the results, which came in ahead of expectations with pre-tax profit at £55.1m. They point out that Iceland is trading at a 35 per cent discount to the market.

At a time when Iceland looks much more robust than its competitors, the shares are on similar forward multiples of around 14. According to Merrill Lynch, Iceland's shares look cheap.

Croda to cut costs as profits fall

BY FRANCESCO GUERRERA

CRODA INTERNATIONAL yesterday became the latest chemical company to unveil a slump in profits due to dire markets and the strength of the pound.

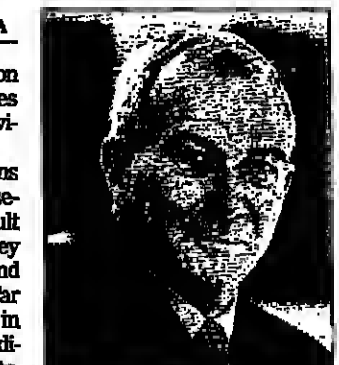
The fall in profits came as Croda announced it would close several non-core operations, with job losses likely, in a bid to reduce costs. The company declined to name the plants earmarked for closure but said the measures would cost £1m and yield annual savings of £4m from 2001.

The speciality chemicals group reported a 12 per cent fall in 1998 pre-tax profits before exceptional losses to £33m, on sales marginally higher at £34.9m. The figures were depressed by an £18m exceptional loss on the disposal of three businesses, leading to an overall profit figure

of just £14m, down 64 per cent on 1997. The disappointing figures forced Croda to leave the dividend unchanged at 10.35p.

The chairman Keith Hopkins said the results had been severely affected by the difficult trading conditions in many key markets. A collapse in demand in the financially-stricken Far East caused a profit shortfall in Croda's industrial chemicals division, which produces paints, inks and fire-fighting products.

The company's core speciality chemicals division, which supplies high-technology products to pharmaceuticals and cosmetics companies, was also hit by lower Asian demand, with sales in the region down 15 per cent. The unit's problems were



Keith Hopkins: Hit by Far East and strong pound

compounded by a sharp rise in the price of vegetable and palm oil imposed by Indonesia. Croda's plight was deepened by the strong pound, which last year wiped nearly 10 per cent off

the group's profits and some 4 per cent off sales.

The finance director, Barbara Richmond, said many of Croda's markets were set to remain subdued throughout 1999.

David Phillips at Sutherlands said Croda's margins, at around 15 per cent, were among the best in the sector, but warned that the difficult trading conditions would persist in the near term.

However, Croda shares have fared better than many of its peers. After yesterday's 3.5p fall to 225p, they are on 13 times 1998 earnings of around £33m. This is an unjustified discount to rivals such as Laporte and BTP, which are better positioned to take advantage of a upturn in the chemical markets. At these levels, Croda is no more than a hold.

Rock with the bean-counters

1 KNOW that accountants like to prove they're not boring, but this is ridiculous. A KPMG tax consultant has formed her own rock group, The Sensational Amanda Harvey Band, which will play at a leaving do for one of the firm's spin doctors this Friday.

Vocalist Amanda Harvey works with KPMG at Puddle Dock, just round the corner from the Fleet Street venue for the upcoming "pig". Richard Whitehead, a PR man with the firm, plays bass in the band, which is due to play its brand of "covers" this Friday for Phil Smith's leaving do at the City Golf Bar in Bride Lane, off Fleet Street (E3 at the door).

Mr Whitehead points out that the band played Wembley a month ago. The effect is somewhat punctuated when he explains it was in the foyer of the Wembley Conference Centre for a KPMG reception for small businesses.

Another KPMG tax manager, Rob Grant, plays lead guitar.

PEOPLE AND BUSINESS

BY JOHN WILLCOCK

It's not all KPMG however, as on keyboards we have an interloper from Arthur Andersen, in the shape of Jonathan Middelton, a forensic accountant.

The band does have one link with the real music business. The drummer is Richard Grafton from EMI. Mr Grafton is director of commercial marketing at the music company, and spends his time licensing the back catalogue to compilations.

Mr Whitehead tells me he has a second group, a Genesis tribute band, which so far lacks a name. Suggestions please to richard.whitehead@kpmg.co.uk.

HMV shake-up

A SENIOR man at Boots is moving down the high street to head up Waterstone's, part of a

boardroom shake-up at HMV Media Group. David Kneale joins HMV as managing director of Waterstone's from the Boots Company, where he is managing director for international retail development.

The move follows the departure of the current chief executive at HMV Media, Stuart McAllister, due to ill health. Mr McAllister headed HMV Media since it was created by a management buyout last March. Alan Giles, who was running the group with Mr McAllister as well as managing Waterstone's, becomes sole chief executive.

ProShare to her deputy, Tony Holman, at a lively City bash on Monday night, after five years at the helm. The non-profit outfit aims to encourage wider share ownership.

The do at the Coq d'Argent, opposite the Bank of England, attracted a number of equities luminaries, including Brian Winterlood of Winterlood Securities, the Close Brothers subsidiary which dominates smaller companies market-making.

Mr Winterlood was in animated conversation with Iain Saville, formerly of the Bank of England and the man who drove the design and development of Crest, the automated share settlement system, which he now heads.

Also wishing Mrs Nott well was Daniel Godfrey, director general of the Association of Investment Trust Companies, who is currently embroiled in a very public row with the head of Electra over the hostile bid for that trust by 3i.

Meanwhile Peter Hammond, company secretary at NatWest, took exception to being described as "a banker",

ProShare move

GILL NOTT handed on the chief executive's baton at

despite having worked over 20 years in the industry, much of that with Sir Brian Pitman, chairman of Lloyds TSB.

"I may work for banks, but I'm a died in the wool company secretary," Mr Hammond protested. Perhaps he should start a rock band.

Good timing

MARK CHERRILL, an independent financial adviser who is about to join the City office of Mazars Neville Russell, the accountants, is a worried man. His joining date of 19 April coincides with one of the recommended conception nights for those aiming for a "millennium baby".

When asked whether it was wise to start a City job in what could in other terms be a very demanding week, Mr Cherrill sighed: "I'll be keeping my wife barred from the bedroom door. We've just had our second daughter, who was born last week."

E-mail: j.willcock@independent.co.uk

COMPANY RESULTS									
Name	Turnover (£)	Profit (£)	EPS	Dividend	Pay day	Yield			
Admiral Properties (P)	421.0m (239.2m)	2.02m (1.13m)	1.42 (0.81)	1.20 (0.70)	01.07.99	17.00%			
Almco (P)	304.0m (124.0m)	19.5m (22.3m)	6.99 (9.27)	13.50 (14.00)	04.05.99	16.60%			
AMP Group (P)	37.0m (12.5m)	1.94m (2.5m)	6.30 (7.94)	5.17 (5.17)	02.06.99	16.30%			
Buena Vista Group (P)	58.9m (94.5m)	1.7m (1.6m)	1.00 (0.91)	1.00 (1.00)	12.05.99	10.00%			
Capital Industries (P)	91.2m (94.9m)	1.38m (1.8m)	4.19 (6.00)	1.10 (1.10)	19.05.99	26.00%			
Crest International (P)	252.3m (143.1m)	1.0m (0.3m)	0.60 (0.20)	0.60 (0.20)	04.05.99	24.00%			
Crest (P)	10.1m (12.2m)	1.2m (1.2m)	1.10 (1.10)	1.10 (1.10)	24.05.99	20.00%			
Debenhams (P)	52.1m (55.0m)	5.40m (6.0m)	19.60 (19.20)	5.10 (5.10)	28.05.99	10.00%			
Delta (P)	282.3m (158.2m)	1.0m (0.3m)	0.60 (0.20)	0.60 (0.20)	04.05.99	24.00%			
Devenport & Mills (P)	91.2m (94.9m)	1.38m (1.8m)	4.19 (6.00)	1.10 (1.10)	19.05.99	26.00%			
EMG Group (P)	14.0m (16.0m)	1.40m (1.7m)	9.40 (11.00)	3.50 (3.50)	14.05.99	17.00%			
Freemantle (P)	102.1m (101.5m)	21.5m (15.5m)	7.70 (5.50)	5.10 (5.10)	28.05.99	10.00%			
Healey (P)	22.0m (22.0m)	2.20m (2.20m)	2.20 (2.20)	2.20 (2.20)	04.05.99	16.00%			
HMV (P)	1.42m (1.42m)	1.42m (1.42m)	1.42 (1.42)	1.42 (1.42)	04.05.99	16.00%			
Iceland (P)	1,020.0m (1,255.0m)	70.2m (72.6m)	15.1 (15.4)	4.2 (5.3)	04.05.99	16.00%			
Laporte (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Leisure International (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Macmillan (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Manx Group (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Mediastream (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Monopoly Group (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Paragon (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
P & O (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Sealed Air (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Scottish Media (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Sherrill (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			
Sherrill (P)	124.1m (124.1m)	12.41m (12.41m)	12.41 (12.41)	12.41 (12.41)	04.05.99	16.00%			

(P) = Profit (P) = Profit (P) = Profit

Dividend	Pay day	X-lev
1.35p (1/24)	01.07.99	17.06.99
1.23p (1/1)	04.08.99	06.04.99
3.25p (2/2)	20.09.99	04.04.99
5.97p (5/5)	02.06.99	29.03.99
10p (10p)	17.05.99	29.03.99
10p (10p)	-	-
10.35p (10.35p)	-	-
3.25p (2/2)	24.05.99	09.04.99
5.96p (5/5)	28.06.99	09.04.99
9p (10p)	01.06.99	29.03.99
1.10p (1/1)	04.08.99	06.04.99
3.25p (2/2)	20.09.99	04.04.99
5.97p (5/5)	02.06.99	29.03.99
10p (10p)	17.05.99	29.03.99
10.35p (10.35p)	-	-
3.25p (2/2)	01.07.99	29.03.99
5.96p (5/5)	28.06.99	29.03.99
9.25p (1/1)	01.07.99	29.03.99
4.35p (4/4)	01.07.99	29.03.99
5.96p (5/5)	01.07.99	29.03.99
7.1p (2/2)	27.05.99	29.03.99
3.30p (3/3)	04.08.99	04.08.99
3.30p (3/3)	04.08.99	04.08.99
3.30p (3/3)	04.08.99	04.08.99
3.30p (3/3)	04.08.99	04.08.99
4.1p (2/2)	17.06.99	19.07.99
5.96p (5/5)	27.05.99	12.04.99



Jody Scheckter, the 1979 world champion, plans to use his standing in Formula One to help his sons, Toby (centre) and Tomas to progress in their motor racing careers

Mark Chilvers

Scheckter develops a dynasty

JODY SCHECKTER was never renowned for reticence. He's remembered almost as readily - in this country at any rate - for his pile-up he triggered at the start of the 1973 British Grand Prix as for delivering Ferrari their last driver's world championship, 20 years ago.

On and off the track, he was the quintessential South African: self-assured, forthright, uncompromising. The passing years have scarcely blunted his sharp edge, although those close to him maintain he has mellowed.

But circumstances? Palpably not. Invited to comment yesterday on the state of play at Ferrari, he suggested his former employers ought to find a new team-mate for Michael Schumacher, someone capable of pushing the German to greater heights. Since Schumacher's present partner is Northern Ireland's Eddie Irvine, who won the opening round of the championship in Australia, earlier this month, that represents a contentious statement.

Ferrari, like the reputation

for causing mayhem, are permanent baggage for Scheckter. He carried it with him to London, where he appeared in a less familiar guise, that of the caring father. In common with many of his peers, Scheckter maintained he had no desire to see his offspring follow in his tyre tracks, yet here he was, introducing motor racing's next dynasty.

His sons, Toby and Tomas, rejected golf and other more mundane careers, opting instead for the circuit. Toby, 20, is competing in this season's highly competitive British Formula Three Championship, the 18-year-old Tomas in the European nursery series, EFDA. They will race under the Jody Scheckter Racing banner, thought as part of separate teams. Dad provides the name and publicity and that, in turn, is supposed to generate the necessary funding. "I'm really setting up a management team within teams for my boys," Scheckter explained. "At the end of the day, you need sponsorship. I've certainly not pushed

Ferrari's last world champion is helping his sons to follow in his Formula One footsteps. By Derick Allsop

them into this. I wanted them to do well at school and so on, but I couldn't stop them doing this. Motor racing chose me, so I can understand.

"I don't want to form my own team and in any case, it's good for them to learn to work with other people. I'm there if they want me. A good coach puts pressure on when a driver needs it, a bad coach puts it on when he doesn't.

"Their toys are much bigger and better than I had at their age. But you have to do it professionally. If you don't, you never win, unless you're Schumacher. But there's only one of those in Formula One now."

Scheckter he sees some of himself in Toby ("the fear of defeat") and other of his characteristics in Tomas ("he spends too much time on the grass"). He expands: "Toby is very quick, but he doesn't have as much natural talent as his

brother. Tomas is a real racer, more of my style. They've both got potential, and if you're in single seater racing you have to aim for the top, that's Formula One. Sure I get that feeling in

the stomach. Any father would. It's a dangerous sport. But you have to accept it."

Yes, he would like to see them drive for Ferrari one day, but only if the Italian team



The remains of the pile-up involving Jody Scheckter's McLaren that halted the 1973 British GP at Silverstone

have a competitive car. The sons concur: "I'd rather be in a Jordan if a Jordan is better than a Ferrari," Toby reasons. Tomas is unequivocal in his choice: "Right now it would have to be McLaren."

Not that the young Scheckters are dreaming beyond their means. They know they have some proving to do before that. They also stress they are racing because this is what turns them on.

"You've got to do it on your own," Toby said. "The family name doesn't guarantee anything. I create my own pressure to do well. It's nothing to do with dad. People are always asking about him, but I want this just as much as any other guy out there."

Tomas admits he is prone to taking the agricultural line. "It's true, I go on the grass a lot. I shunted the car five times in eight tests last year. All I think about is going forward, putting pressure on the driver in front of me, forcing him into a mistake."

Dad, out of earshot, would

have enjoyed that, just as he makes no bones about the fact he still wallows in the distinction of being Ferrari's last champion.

"They've got to do it this year," he said. "Mind you, that's what I said last year. Ferrari do a great job, but McLaren had the advantage last year and it looks as if it's a similar situation this year."

So how might they bridge that gap and make Schumacher their next champion?

"They should have a more aggressive team-mate for Schumacher, that would lift him to another level. When you're faster than your team-mate on every corner you learn nothing. When I got Gilles Villeneuve as my team-mate it lifted me to another level. I haven't seen Irvine within half a second of Schumacher."

Scheckter nominates Giancarlo Fisichella, Benetton's Italian driver, as a candidate to join Schumacher but maybe they are patient enough there will be another Scheckter along to help them out.

Supple clear of doping offence

DRUGS IN SPORT
By Mike Rowbottom

PAUL SUPPLE, a former British weightlifting champion, has been cleared of a doping offence in a case which appears to raise awkward questions about the testing procedure employed.

Supple, national champion at the 94kg weight in 1994 and 1996, has now resumed training for next year's Olympics, seven months after being suspended following an adverse finding for illegal testosterone levels.

His suspension, which was confirmed by a disciplinary hearing of the British Amateur Weight Lifting Association on 21 November, was revoked on appeal. The appeal committee which met on 13 March concluded that the standard procedure for verifying testosterone findings had not been carried out by either BAWLA or the UK Sports Council, the body responsible for the testing programme.

According to the International Olympic Committee doping rules under which BAWLA operates, any sample where the testosterone to epitestosterone ratio is greater than 6:1, the legal maximum, a further investigation and/or examination has to be carried out before findings can be declared a result.

A statement issued yesterday by Supple's legal representatives said the BAWLA appeal committee "decided that they were not satisfied that further examination had taken place and had therefore lifted the suspension." "We are considering whether any action should now be taken on Paul's behalf," said Fraser Reed, Supple's legal representative. "He has had to endure seven months of anxiety before his name has been cleared. It meant he had to miss last September's Commonwealth Games in Kuala Lumpur, where he would have been a potential medal winner."

"This case has shown up a lot of irregularities in the test procedure. It isn't clear whether the responsibility lies with the UKSC or BAWLA." A spokesman for the UKSC said he was unable to comment as the Council was still awaiting official notification of the appeal findings from BAWLA.

Three years ago, the most widely known case of an adverse testosterone finding concluded with a judgment which cleared athlete Diane Modahl of a four-year ban. Her defence also succeeded on procedural grounds, although in her case the irregularities centred on the incorrect storage of her sample by the organisation responsible, the International Amateur Athletic Federation.

■ Doug Walker, who produced an adverse finding indicating illegal steroid levels in December, is expected to find out today whether he has a case to answer. The evidence was weighed yesterday by a UK Athletics committee comprising Michael Beloff QC, former British athlete and team manager, Joan Allison, and medical experts Professor Hugh Makin and Professor Vivian James.

The Scot, who won the European 200m title last summer, has not competed since the test was announced, even though he is legally able to. He has denied knowingly taking any banned substance.

Virgin back 'relieved' Mackenzie

THE PROSPECTS of Niall Mackenzie competing for a fourth successive British Superbike title were sinking faster than a lead balloon until the timely intervention of the Virgin millionaire, Richard Branson.

The three times champion and former grand prix rider has been the series' dominant figure for the past three years. Yet until last week, the Scot's Yamaha team, whose sponsorship deal with Cadbury's Boost was wrapped up at the end of last season, were without the corporate backing required to mount another viable challenge.

Enter the publicity-conscious tycoon and the offer of a

MOTORCYCLING
By Andrew Martin

financial lifeline that ensures Mackenzie and his No 1 plate will now appear in the 12-round campaign that opens at Brands Hatch on Sunday.

The veteran rider was beginning to wonder if he would be racing again when news of the deal reached him in Jerez, Spain, where the team - newly christened Team Virgin Yamaha - was testing its shiny new YZF-R7 machine.

"The team had been trying to find a sponsor but we still hadn't secured anything by last

week," Mackenzie said yesterday. "I was really surprised that we'd gotten into that situation with our track record."

Understandably, Mackenzie is now a happy man - "relieved is an understatement" - after a few nervous months and an exercise in financial brinkmanship that has inevitably hampered preparations for the coming season.

"Our testing of the new bike has been limited because we didn't have a sponsor and it's been a mad rush to get the bike repainted and get a new set of leathers, but it's finally fallen into place," he added.

Never one to miss a PR opportunity, Branson issued

an effusive statement yesterday to herald the deal. "We couldn't resist the temptation of supporting one of the finest riders in a generation," it read.

Mackenzie's talent is undisputed and acquiring the backing of the ambitious Branson - the thwarted global balloonist also owns a sizeable chunk of the London Broncos rugby league club - is a notable coup.

Mackenzie will need all the backing he can muster as this season he faces fierce competition from James Haydon's works-backed Suzuki and the Ducati-mounted Troy Baylis as well as the Kawasaki pairing of Chris Walker and Steve Hislop.

Hackett's world record

GRANT HACKETT broke the oldest world record in men's swimming yesterday, the 200 metres freestyle, at the Australian national championships in Brisbane. Swimming the first leg of a 4x200m relay, the teenager shaved two hundredths of a second off the 1:46.69 mark set by the Italian Giorgio Lamberti at the European Championships in Bonn in August 1989.

Hackett, the world 1,500m champion, appeared astonished when he saw his time of 1:46.67, before throwing his arms out in triumph. "I'm just amazed at what I've done because I'm not a sprinter," said

SWIMMING
Hackett, who won the individual 200m freestyle on Monday ahead of Ian Thorpe and Michael Klim.

The 18-year-old had never won a major 200m race before he upset Klim, world champion at the distance, and Thorpe, world champion at 400m, in Monday's race. Then he was inside Lambert's world record schedule at the half-way mark before tiring.

Thorpe swam the second fastest time in history for the 400m on Saturday, beating Hackett in the process. However, he was well beaten in the

individual 200m by Hackett, whose winning time on Monday was just 0.3sec outside the Italian's old record.

Hackett's achievement overshadowed another record-breaking swim by Susan O'Neill, who broke the longest-standing record of all last month when she eclipsed Mary T Meagher's 18-year-old mark for 200m butterfly in a short-course pool. Yesterday O'Neill, who also holds the world and Olympic titles in butterfly, broke the Commonwealth 200m freestyle record, winning in 1:59.11 to carve 0.63sec off the mark of 1:59.74 set by the Englishwoman June Crofts in 1982.

any banned substance.

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Resort	Area open	Comment	Slopes (cm)	Last snow	Temp	Forecast
ANDORRA						
Soldeu	100%	Spring snow	70	80	7.3	Mixed
AUSTRIA						
Kitzbühel	100%	Good spring snow	20	170	23.3	Mixed
Löfer	100%	V good at altitude	30	260	23.3	Mixed
BULGARIA						
Borovets	100%	Much fresh snow	50	160	20.3	Variable
CANADA						
Whistler	95%	Spring conditions	65	140	15.3	Snow
FRANCE						
Les Orres	85%	Lower runs poor	30	60	22.3	12C Changeable
Megève	97%	Fresh snow	90	260	22.3	2C Unsettled
ITALY						
Sin Cristiano	98%	Fresh snow	30	80	22.3	2C Changeable
Sanza d'Ossola	56%	Snow deteriorating	20	40	21.3	3C Sunny spells
SCOTLAND						
Caingorm	80%	Crusty spring snow	5	35	22.3	2C Windy showers
SWITZERLAND						
Zermatt	90%	Great conditions	65	220	23.3	2C Variable
UNITED STATES						
Jackson Hole	100%	Spring conditions	245	420	22.3	1C Clear
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Ibrox in ring for rematch

IBROX STADIUM in Glasgow yesterday became the latest venue to emerge as a possible contender to stage the Lennox Lewis-Evander Holyfield heavyweight unification rematch.

Lewis's promoter, Panos Eliades, and his manager, Frank Maloney, are to meet officials of the stadium's owners, Rangers football club, tomorrow for discussions about hosting the fight.

Yesterday Maloney had talks with Tom Shorey, the sales director of the new 75,000-capacity Millennium Stadium in Cardiff, with a view to staging the fight in the Welsh capital, where Lewis stopped Frank Bruno in October 1993 in his first term as World Boxing Council champion.

Eliades, though, still believes Las Vegas will emerge as the favourite location. It is believed that the newly opened Mandalay Bay Hotel, which contains an 18,000-seater arena, is showing a big interest in staging the

BOXING
remunification rematch. The last major boxing staged at Ibrox was Jun Watt's WBC light-weight title defence against America's Howard Davis in June 1980.

Meanwhile it has emerged that a late flood of bets, said to total more than \$1m (£635,000), were placed on Holyfield just before he stepped into the ring with Lewis, drawing the attention of investigators.

The Nevada Gaming Control Board has confirmed that it is investigating money placed at a number of Las Vegas betting outlets in the hours before the fight in New York on 13 March. Almost all of the bets were refunded after the fight was ruled a draw, even though Holyfield appeared to have lost.

The probe by gambling regulators comes on top of investigations by a Manhattan grand jury, a state Senate committee and the New York State Athletic Commission.

Nevada investigators are primarily concerned with whether the money was bet on behalf of one individual or group by so-called "messengers" betters, which is against Nevada law.

The judge who came under fire for scoring the Lewis-Holyfield encounter as a draw, Larry O'Connell, will come into contact with Maloney again at the Royal Albert Hall on 3 April. O'Connell is due to referee the Maloney-managed Julius Francis in his British heavyweight title defence against Brixton's Danny Williams.

Maloney has cooled down since the fateful night. "A lot of things are said in the heat of the moment, and anyone can make a mistake," he said. "He's got a job to do; I've got a job to do."

"He's never made a bad decision in any of my fights in Britain and I've never questioned his integrity. When we meet again I'm sure we'll shake hands. He is an ordinary guy who loves the sport of boxing."

TOMORROW
Westwood warms up for golf's 'Big One'
Andy Farrell reports from Florida

A NEW TYPE OF JAGUAR

24/3/99

Rigid refereeing 'a threat to game'

THE RUGBY World Cup chairman, Leo Williams, last night warned that this year's tournament is in danger of being wrecked by referees. Williams was critical of standards and called for officials to follow the spirit rather than the letter of the law.

Williams, an Australian, criticised the handling of the southern hemisphere's Super 12 tournament and the Five Nations' Championship. "The game has degenerated as a spectacle," Williams said, "and if it flows on to the World Cup it could be disastrous. If we turn out [in the World Cup] what has been seen so far in the Super 12 it will be unbelievably bad. Games are being decided by referees, not players. I've seen it in the Five Nations as well."

Williams claims referees are slowing the whistle at every opportunity, regardless of whether there is an impact on play. "This letter of the law stuff is nonsense," Williams added. "There has to be a degree of discretion for the referees. At the World Cup we don't want a festival of whistling, we want a festival of rugby."

RUGBY UNION

BY DAVID LLEWELLYN

According to the chief of Australian referees, Russell Trotter, officials are being encouraged to control games in this way because assessors employed by the International Rugby Board are scoring performances at stake this season as 16 refereeing and 12 touch judge positions in the World Cup in Wales this autumn. Williams has called a meeting in Argentina next month where international power brokers within the game can address the problem.

There is a certain irony in Williams' comments in the light of what happened at Twickenham last Saturday when the New Zealand referee, Colin Hawke, limped off at half-time and handed over his whistle and watch to Scotland's Jim Fleming. But Clive Woodward, the England coach, said afterwards that there had been no discernible difference in the interpretation of the laws - the chief criticism of players and coaches from the two hemispheres.

England's and Saracens' worst fears were confirmed yesterday with the news that the scrum-half Kyran Bracken will not only miss England's Grand Slam decider against Wales at Wembley on 11 April - a match which looks like being a 79,000 sell-out - but also most of the remainder of Saracens' Allied Dunbar Premiership One programme. However, the injury to medial ligaments in his knee did not prevent Bracken from signing a new contract with his club that will keep him at Saracens for a further three years until June 2002.

Woodward's troubles do not stop there. The Sale wing, David Rees, another casualty against France, is likely to need up to six weeks to recover from his ankle injury. Sale have also lost the services of their other talented wing, Steve Hanley, who was injured playing for England A last weekend.

Ireland's stand-off, David Humphreys, has been ruled out of action for at least eight weeks with the tendon damage to his hand that he suffered early in last Saturday's 30-15 Five Nations defeat by Scotland. He will miss Ireland's match against Italy in Dublin on 10 April.

Eric Edwood, who lost his place to Humphreys for the Five Nations' Championship, now looks certain to return to the team.

The fate of Cardiff and Swansea is unlikely to be known until next week. A meeting of the Welsh Rugby Union's general committee last night was expected to defer until after the weekend Cup ties a decision on whether the two clubs should be suspended from the union for non-payment of fines levied on them for playing unsanctioned matches against English opposition.

The feeling was that both sides in the dispute would make a number of concessions, the WRU is expected to waive the fines and tear up the 10-year loyalty contract that sparked the row while for their part the clubs would undertake to play in the Welsh League next season and the British League thereafter. They would also expect the WRU to grant them "Super Club" status and to be granted two of Wales' places in next season's European Cup.



Wavell Hinds looks back at the Australian wicketkeeper Ian Healy after he was struck by the West Indies A batsman at the Antigua Recreation Ground, St John's.

Moody call has county in spin

CRICKET

TOM MOODY, the Worcestershire captain, was yesterday celebrating a surprise World Cup call-up that has left his county reshuffling their New Road pack to cover for the Australian all-rounder.

Moody, captain at Worcestershire since 1996, got the call to the 15-man party along with Paul Reiffel and Damien Fleming, as the additional names to the side that beat Sri Lanka and England in the Carlton & United Series this winter.

The 33-year-old was not named in the provisional squad of 19 because he was returning from an injury suffered last September. But his late inclusion - which had to be ratified by the International Cricket Council - has not come as a complete surprise to Worcestershire, who have already asked Steve Rhodes, their wicket-keeper-batsman, to take over the captaincy in Moody's expected absence.

Kent have named Andrew Symonds, the Australian batsman, as their new overseas player for the coming season. The 23-year-old Queenslanders scored more than 2,500 runs for Gloucestershire in 1996.

In the Caribbean yesterday, an exceptional spell of seam bowling from Adam Dale gave Australia an emphatic 154-run victory over West Indies A at the Antigua Recreation Ground. The Queensland medium pacer took 6 for 66 as the A team collapsed to 310 all out before lunch on the fourth day.

Dominic Oxtley, the Warwickshire batsman, has flown home from his county's pre-season tour of South Africa with a suspected broken ankle.

AUSTRALIAN WORLD CUP SQUADS: S Waugh (capt), S Warne, M Bevan, A Dale, D Fleming, A Gilchrist, S Jansen, S Lee, D Lehmann, G McGrath, D Morris, D O'Keeffe, P Reiffel, M Waugh, R Ponting, P Reiffel, M Waugh.

Sjoberg takes a leap in the dark

THE FORMER high jump world record holder and second Olympic medalist, Patrik Sjoberg, has retired from athletics - in order to teach American basketball players how to jump higher.

The 34-year-old Sjoberg, who won silver at the 1984 Olympic Games, bronze in 1988 and silver in 1992, reached the literal and metaphorical height of his career when he set a world record of 2.42 metres in 1987, at a time when few ath-

BASKETBALL

letes made it above the 2.30 mark. But back problems have plagued his career in recent years.

"It is simply impossible to train hard, I would probably have to be operated on to continue functioning like a normal person," he said.

Sjoberg, one of Sweden's greatest ever athletes, will instead decamp to the United States where he will instruct

NBA basketball players, and possibly footballers, how to jump higher.

"This is undoubtedly something I can do that will be a hell of a lot of fun," Sjoberg said. The Swede also said yesterday that he plans to set up a sports complex in southern Spain to use as a training facility for elite basketball players.

"In the first place I will work with players from the Chicago Bulls and New Jersey Nets," he said. He has also been in con-

tact with the football teams at Barcelona and Real Madrid.

As well as his Olympic silver medal, Sjoberg also won the World Cup indoor gold medal in 1985, bronze in 1989 and silver in 1992. He also won a World Cup gold in 1987. He has jumped 2.30 or higher in no fewer than 112 competitions.

"The world record is my greatest moment as an athlete and the worst moment was the injury ahead of the 1996 Olympics in Atlanta," he said.

RACING RESULTS

EXETER

Going: Good

2.00 (2m 11 fms) novice selling hurdle
1. GURU RINPOCHE (10) 1st 3.4
2. GODEFROU (10) 2nd 3.4
3. CHIEF (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

2.30 (2m 11 fms) novice handicap hurdle
1. BE IN SPACE (10) 1st 3.4
2. LONGSTONE (10) 2nd 3.4
3. WINDY (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

3.00 (2m 11 fms) novice handicap hurdle
1. MORLAND (10) 1st 3.4
2. COUNTRY STAR (10) 2nd 3.4
3. COUNTRY STAR (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

3.30 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

3.40 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

3.50 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

4.00 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

4.10 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

4.20 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

4.30 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

4.40 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

4.50 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

5.00 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

5.10 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

5.20 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

5.30 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

5.40 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

5.50 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

6.00 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

6.10 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

6.20 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

6.30 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

6.40 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

6.50 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

7.00 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

7.10 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

7.20 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

7.30 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

7.40 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

7.50 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

8.00 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

8.10 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

8.20 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

8.30 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

8.40 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

8.50 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

9.00 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

9.10 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

9.20 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

9.30 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

9.40 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

9.50 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

10.00 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4
Also ran: 2.1 fms Honey Dew, 2.2 fms Duet, 2.3 fms Just A Star, 2.4 fms Toy Boy, 2.5 fms Duet, 2.6 fms Just A Star, 2.7 fms Toy Boy, 2.8 fms Duet, 2.9 fms Just A Star, 3.0 fms Toy Boy.

10.10 (2m 11 fms) novice handicap hurdle
1. VILLAGE KID (10) 1st 3.4
2. GRIFFIN (10) 2nd 3.4
3. GRIFFIN (10) 3rd 3.4

Hendry to retire after Euro 2000

THE SCOTLAND defender Colin Hendry intends to retire from international football after the 2000 European Championship. The 33-year-old Rangers centre-back will miss the home qualifiers against Bosnia this Saturday and the Czech Republic a week on Wednesday as he recovers from an ankle injury.

BY KEN GAUNT

Hendry said: "My aim is to go to Euro 2000 and then [retire] after that. I have 38 caps now and I would love to make 50 and enter the Hall of Fame. "Then I will have two years left on my contract, and it's a crucial time because I must

give myself every chance to keep playing. I've always done myself justice for Scotland, but staying on after that could be a bridge too far."

Hendry was 27 when he won his first cap, against Estonia in May 1993, but he became such a formidable figure that he went on to captain Scotland in the World Cup finals last year. After his debut he helped Blackburn to win the Premiership title. However, it was always his ambition to finish his career in his homeland - he was born

in Keith - and he left Ewood Park last summer for Rangers. Hendry signed a four-year deal after a £4m move, but his progress this season has been hampered by a series of injuries.

His Rangers team-mate, Barry Ferguson, could have played his last game at club and international level this season. The 21-year-old midfielder is suffering from a pelvic problem and he will now visit a specialist in London today.

While disappointed that Ferguson is ruled out, the Scotland manager, Craig Brown, is comforted by the fact that he has a

strong midfield pool. Gary McAllister, who captained the side before missing the World Cup finals because of a serious knee injury, is back in the squad for the first time in 16 months.

Brown said: "It is frustrating for Barry and for Scotland that he is injured because he has been coming along well. Now it looks as though he may be out for the bulk of the rest of the season if not the whole of it."

"But at least we have good cover in midfield with the likes of McAllister, Paul Lambert, David Hopkin and Ian Durrant."

The Wimbledon goalkeeper Neil Sullivan is likely to retain his place, with the Leicester defender Matt Elliott replacing Hendry. The Everton striker Don Hutchison looks set to make his debut and partner Aberdeen's Eoin Jess up front.

Uefa, the governing body of European football, has rejected an appeal from the Football Association of Wales against the decision to stage Wales' Euro 2000 qualifier against Denmark in June at Anfield. Uefa gave the FAW permission to play Euro 2000 qualifiers against Italy and Denmark at Anfield,



Hendry: Injury problems

today. Saturday's match may be cancelled because of the threat of Nato air strikes against Serb troops in neighbouring Kosovo.

Mols is set for major impact

BY HUGH MCHUGH

THE UTRECHT coach, Marc Wotte, believes Michael Mols can make as much impact at Celtic as Henrik Larsson has at Celtic. Mols will join Rangers next season from the Dutch club for £4m.

Wotte is disappointed that his Dutch international striker is leaving because of the influence he has had at the club. Wotte is warning Scottish defences that Mols can emulate the prolific Swede, Larsson, whose 35 goals have been the highlight of Celtic's season.

"I know Scottish football and that Michael will score between 20 to 30 goals a season," Wotte said. "He is as good as Larsson and has the exact same qualities as a player, even though their styles are very different."

"Larsson likes to run at defences from left or right and Michael is a much more central player."

"He plays with his back to goal and that is a very, very important because he can link with players moving forward from midfield."

"He can be just as influential for Rangers as Larsson is at Celtic. One thing is for sure, we will be unable to buy another striker of his quality."

The Sheffield Wednesday manager, Danny Wilson, was told yesterday that he must pay a fee for St Johnstone's Philip Scott if he wants to sign the midfielder before tomorrow's transfer deadline.

Saints say Wednesday have made a "derisory" offer for Scott, although the Scottish Premier League side happy to let the 24-year-old leave McDiarmid Park on a free transfer in the summer under the Bosman ruling.

Wilson has already agreed terms with the Scotland Under-21 international who has signed a pre-contract agreement, along with the Celtic pair, Phil O'Donnell and Simon Donnelly, who did so last week.

As is the case with the Rhys duo, the Owls are not willing to part with enough money to prise any of the three players away from their respective clubs. The St Johnstone managing director, Stewart Duff, said: "They have made an offer which we have turned down. In fact what they have offered would not be half of the player's wages for a season."

"What we are asking is not unreasonable and we are quite prepared to keep the player until the end of the season if necessary."

"Sheffield Wednesday are losing out on having a good player for a couple of months, while Philip is losing out on a couple of months' experience in the Premiership."

"The pressure is all on Sheffield Wednesday to sign him, not on us to sell him. If they want him they will have to come and get him."

Both Wilson and the player's agent are still confident a deal can be struck with Wednesday looking for a lift to their squad after a run of four successive defeats.

Wilson said: "We've agreed personal terms and, like with the Celtic pair, he will either come before the transfer deadline or in the summer."

"I'm very hopeful, though, that this will go through before Thursday. Philip is a quality player with a good goalscoring record from midfield and an ideal replacement for Jim Magilton."

Magilton joined Ipswich on Monday for £700,000.

Sherwood set to shed tag of nearly man

IT SEEMS harsh to describe anyone who has captained his club to the Premiership title as a nearly man, but as far as Tim Sherwood and England are concerned that is exactly what he is: six times he was called up by his country when Terry Venables was in charge, never making it further than one appearance on the substitutes' bench - and even that was for the ill-fated match in Dublin that was abandoned owing to crowd disturbances.

Now, four years later, having left Blackburn Rovers after seven eventful seasons, Sherwood is back in the reckoning again and, thanks partly to an injury to his former Blackburn club-mate David Batty, he seems as near to getting a taste of the action on Saturday against Poland as he has ever been.

"I haven't really thought about playing," he fibbed earnestly during a 10-minute inquisition at England's training headquarters in Buckinghamshire yesterday. "At the moment I'm just in the squad, and I've been in the squad before, but it was a surprise to be called up."

"I don't think you ever expect it, and the longer it goes you think maybe it has passed by. But a new manager, with new ideas, obviously gives you a chance. All you can do is just play well for your club and hope the manager in charge fancies you."

Sherwood, who for the most part looked as though he takes as much pleasure in talking about himself as he does in losing football matches, celebrated his 30th birthday last month. 12 years after turning professional with Graham Taylor's Watford just up the road from his home town of St Albans. From there he moved on to Norwich City before becoming one of Kenny Dalglish's first signings for Blackburn.

Chris Sutton soon followed Sherwood from Carrow Road to Ewood Park and subsequent championship glory, and even though Sherwood is now back home, living with his Italian girlfriend in the house he built and maintained all the way through his time at Blackburn, the two players' paths still seem destined to cross.

Sherwood won one England B cap, against the Republic of Ireland in 1994, in a team that included Sutton, and now that Sherwood has been recalled to the full squad, guess who has been recalled with him? Black-

Adam Szreter meets the former Blackburn captain facing a surprise call-up to England duty on Saturday

burna fans would shudder at the thought, but what price Sutton joining Sherwood at White Hart Lane before too long?

Sherwood himself claims his move to Tottenham a couple of months ago was not because he was anxious to get away from his former club, despite all the had blood spilt over Roy Hodgson's departure earlier in the season. Sherwood, like Sutton, has never been one of life's shrinking violets and he was an outspoken critic of Hodgson's regime. Nevertheless, once the manager had left there appeared no reason for Sherwood not to stay.

"I never said I wanted to leave Blackburn," he said yesterday. "I was negotiating a new contract and they decided they wanted to let me go. And the way it's turned out, I can't really complain." Sherwood

"I don't think you ever expect a call-up, and the longer it goes you think maybe it has passed by. But a new manager, with new ideas, obviously gives you a chance"

was cup-tied and had to sit and watch as his new team-mates carried off the Worthington Cup last Sunday, but already he has an FA Cup semi-final to look forward to after six losing quarter-finals.

"Everyone knows what's expected at the club," he said, suggesting that, in George Graham, he has finally found a manager to compare with his idol Dalglish. "The players know what the manager wants. Frightened might be the wrong word, but they know what the manager expects and everyone knows their job."

If Sherwood does play on Saturday he seems likely to occupy the defensive midfield position, normally the domain of Paul Ince or Batty. While it is not exactly Sherwood's forte, given his penchant for getting forward, making chances and scoring important goals, there are plenty of Premiership

opponents who would testify to Sherwood's tackling ability and the player himself sees no great problem.

"I don't mind where I play," he said. "At Spurs now we've got Steffen Freund playing that holding role which allows me to go forward a bit more, but if you play in midfield you've got to work hard for the team and if the ball's there to be won you've got to win it. I don't think I can change my game. The manager has picked me on the basis of how I play for my club and I don't think playing international football would change me."

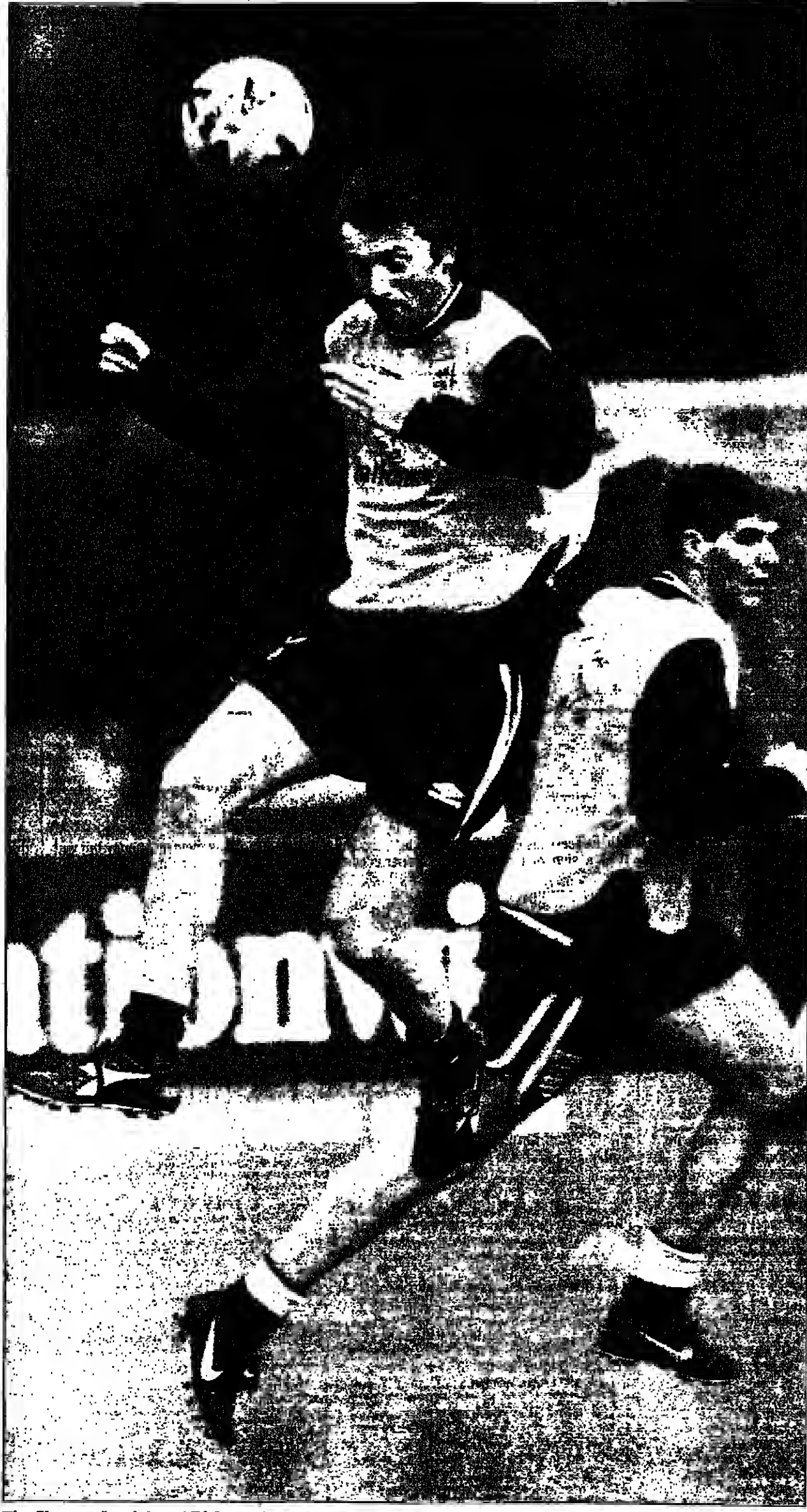
Apart from Sutton, Sherwood has been able to link up with several former and current team-mates, not to mention David Beckham, the other player involved in a controversial incident at Old Trafford earlier in the season which resulted in Sherwood being sent off. Whether those two have followed the lead of Robbie Fowler and Graeme Le Saux by kissing and making up remains unknown, but Sherwood is evidently relishing being back in the international fold.

"The atmosphere is relaxed but I'm sure towards the end of the week it might get a bit more intense. At the moment it's just a question of getting everyone together and getting a bit of spirit."

"You don't want to be too blasé straight away," he added in reference to his own comports. Sherwood is widely perceived as a strong character and an excellent leader. "You've got to get a rapport going with the other players but I'll try to be myself as early as possible and try to enjoy it."

Asked whether it felt strange to be playing as a foot soldier again after spending so long as a captain, Sherwood replied: "I still play the same game whether I'm wearing the armband or not" - but the serious reply only came after he had mischievously misinterpreted a question fully intended to relate to his new club. "It's a bit early for me to captain England," he said, smiling. "But maybe one day."

Whether he does or not, if he wins his first cap on Saturday the convenient "nearly man of England" tag will have to be written out of Sherwood's story forever.



Tim Sherwood training at Bisham Abbey yesterday. 'I haven't thought about playing,' he says David Ashdown

Sharpe shipped back to Bradford

BRADFORD CITY are bringing Lee Sharpe home from the Italian club Sampdoria today in one of the deadline's most intriguing transfers, writes Alan Nixon. The former Manchester United and Leeds winger will join Paul Jewell's club on loan for the rest of the season after a short stint in Serie A.

Sharpe moved to Genoa during David Platt's brief reign, but is not in the club's long-term plans and hopes to resurrect his career at Bradford. Sharpe still has property in Leeds and his signing is ideal for both player and club.

Aston Villa manager John Gregory acted yesterday to try to halt his club's dire run of form by signing Scottish international defender Colin Calderwood from Tottenham Hotspur.

Calderwood, 34, signed in a

£225,000 pounds deal that sees Villa take over his contract which runs until the end of next season, the club said. The Scot, normally a centre back, played mostly in Spurs' midfield last season but has played only once since December.

Villa have picked up just one point from their last eight games and are short of cover at the back after learning that Ugo Ehiogu was likely to miss the rest of the season after fracturing his eye socket in January.

Kevin Campbell is signing for Everton from the Turkish club Trabzonspor. Campbell refused to play again for the club after the president referred to him as a "cannibal". Everton will not have to pay a fee for Campbell, who was on flying home last night after discussions with Everton manager Walter Smith.

Campbell is now in line for a debut against Liverpool and Smith was last night also trying to sign Michael Thomas from Benfica, on loan. Thomas, formerly with Liverpool, is available and Graeme Souness has given him permission to speak to Everton. The Everton manager is making way for more business by loaning the striker Michael Branch to Birmingham City.

Liverpool are signing Erich Meijer, the Dutch striker, on a pre-contract as part of Gerard Houllier's planned revolution. Meijer, 29, has agreed to join the Anfield club in the summer when his current contract expires in Germany where he plays for Bayer Leverkusen.

He is an obvious replacement for unsettled Karlheinz Riedle and is content to sign despite competition for places from

Michael Owen and Robbie Fowler.

Meijer was pursued by several English clubs and valued at around £2m earlier in the season. However, he waited to exploit the Bosman rule and has got his wish with a move to Liverpool.

Riedle is likely to return home after growing disillusioned with his lack of opportunity at Anfield. Despite an impressive record he has only played a handful of games in two seasons.

Alex Ferguson, the Manchester United manager, has valued Terry Cooke, his winger, at £1.5m. Cooke is currently on loan at United's promotion chasing neighbours Manchester City.

Juventus are set to offer more than £20m for Arsenal's French striker, Nicolas Anelka, according to the country's two leading sports newspapers. Corriere

dello Sport said Juventus have offered Arsenal 35m Italian lire (£12.5m) for the 20-year-old, and are now prepared to raise that sum after he scored both goals in France's 2-0 win over England at Wembley last month.

Jim Smith may be set to beat Derby's transfer record with a £2m move for Seth Johnson. Smith has talked to Dario Gradi, the Crewe manager, about the 20-year-old midfielder.

Edinho, the Bradford striker, who spent time on loan at Dunfermline, has returned to Portugal to join Second Division leaders Portimonense Sporting Clube on a free transfer.

Dennis Wyness, the Aberdeen midfielder, has agreed a two-year deal to stay at Pittodrie. Dundee's Scotland under-21 winger, Iain Anderson, has joined Chelsea for trials.

MICHEL PLATINI, who is masterminding the plans of world football's governing body, Fifa, to modernise the game, has supported the idea of a "summer season" from February to December in order to improve the chances of a biennial World Cup.

"To achieve this goal we must reform the calendar to restore the credibility of national teams," Platini said in L'Equipe, the French sports newspaper, yesterday. He suggested the solution could be "a summer season, which would start in February and would finish early in December."

"It will not be easy because of the concentration of the dates of European cups, the dropping of the Confederations Cup and of the Intercontinental Cup to be replaced by

a club World Cup, but it will help players get a real one-month break in the winter," Platini said.

The new calendar could start in 2005 to allow a World Cup to be held in 2004. Platini has also discussed, with Sepp Blatter, the Fifa president, the idea of a Centenary Cup in 2004 to be played between the seven World Cup winners - Uruguay, Italy, Germany, Brazil, England, Argentina and France. Fifa will celebrate its centenary in 2004.

Radomir Antic will return as the coach of Atletico Madrid on a 15-month contract, according to the club president, Jesus Gil Antic, who guided Atletico to a Spanish League and Cup double in the 1995-96 season, but left the club two years later.

Sven-Goran Eriksson has extended his contract as coach of Lazio, Italy's Serie A leaders, until June 2002, in a deal worth at least twice his current salary. "The deal has been reached, even if I haven't signed anything yet. I'll be Lazio's coach until June 2002," Eriksson said yesterday.

"There's no point saying I'm happy. I fought to get the job two seasons ago and I've never hidden my desire to stay," Eriksson reached the deal with the Lazio owner, Sergio Cragnotti, in Rome on Monday night. His salary will be almost 12b Italian lire (£4m) for three years. The 51-year-old Swede has guided Lazio to the top of the Italian League for the first time in 25 years and into the semi-final of the Cup Winners' Cup this season.

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Rusedski turns his attention to Cup

GREG RUSEDSKI, in common with Tim Henman, was left to rue missed opportunities at the Lipton Championships here and turned his attention to the Davis Cup tie against the United States at the National Indoor Stadium, in Birmingham, next week.

Rusedski appeared to be on course for a place in the quarter-finals until his serve wavered during a fourth-round clash against Germany's Nicolas Pietrangeli. Two points from victory at 5-4 in the second set, Rusedski subsequently double-faulted to give Kieffer the incentive to level the match.

Another double-fault gave Kieffer the initiative to break for 2-3 in the third set, and three more virtually handed the Germany the match at 2-5. Kieffer won, 4-6, 7-5, 6-2.

"At least that didn't happen in the Davis Cup," Rusedski said. "That would be a little bit more disappointing. I just have to take the positive."

Henman is in a similar situation, wishing he were still here in Florida competing for world ranking points while realising that a brief rest will do a harm before preparing for Birmingham.

The American media has been doing its best to play down the importance of the Davis Cup, suggesting that Britain are as good as through to the second round of the World Group with a home tie against

BY JOHN ROBERTS
in Key Biscayne, Florida

a side lacking Pete Sampras and Andre Agassi, both of whom declined selection. Rusedski is not fooled by such talk, pointing out that Todd Martin and Jim Courier, backed by Jim-Michael Gambill and the doubles-specialist Alex O'Brien, add up to a formidable array, with a combined head-to-head lead of 13-2 against the Britons.

"One guy's in the top 10 [Martin], and another player's a former No. 1 [Courier]," Rusedski said. "I think it's a little bit of games going on. If we play well, I think we have a good chance to win, and we're favoured. It's not going to be an easy tie at all. It's going to be a very difficult match."

"Martin this year has played better than any of the American players so far. Courier and Gambill have probably been the most solid behind him. Agassi really hasn't played that well yet this year, and this is the first week where Sampras seems to be getting back his form a little bit."

Courier is the type whose pride will relish the challenge of taking center stage for his country. "Exactly," Rusedski said. "He's been in those situations. Sometimes in Davis Cup it doesn't come down to the best teams in the world; it comes down to the one who can

TENNIS

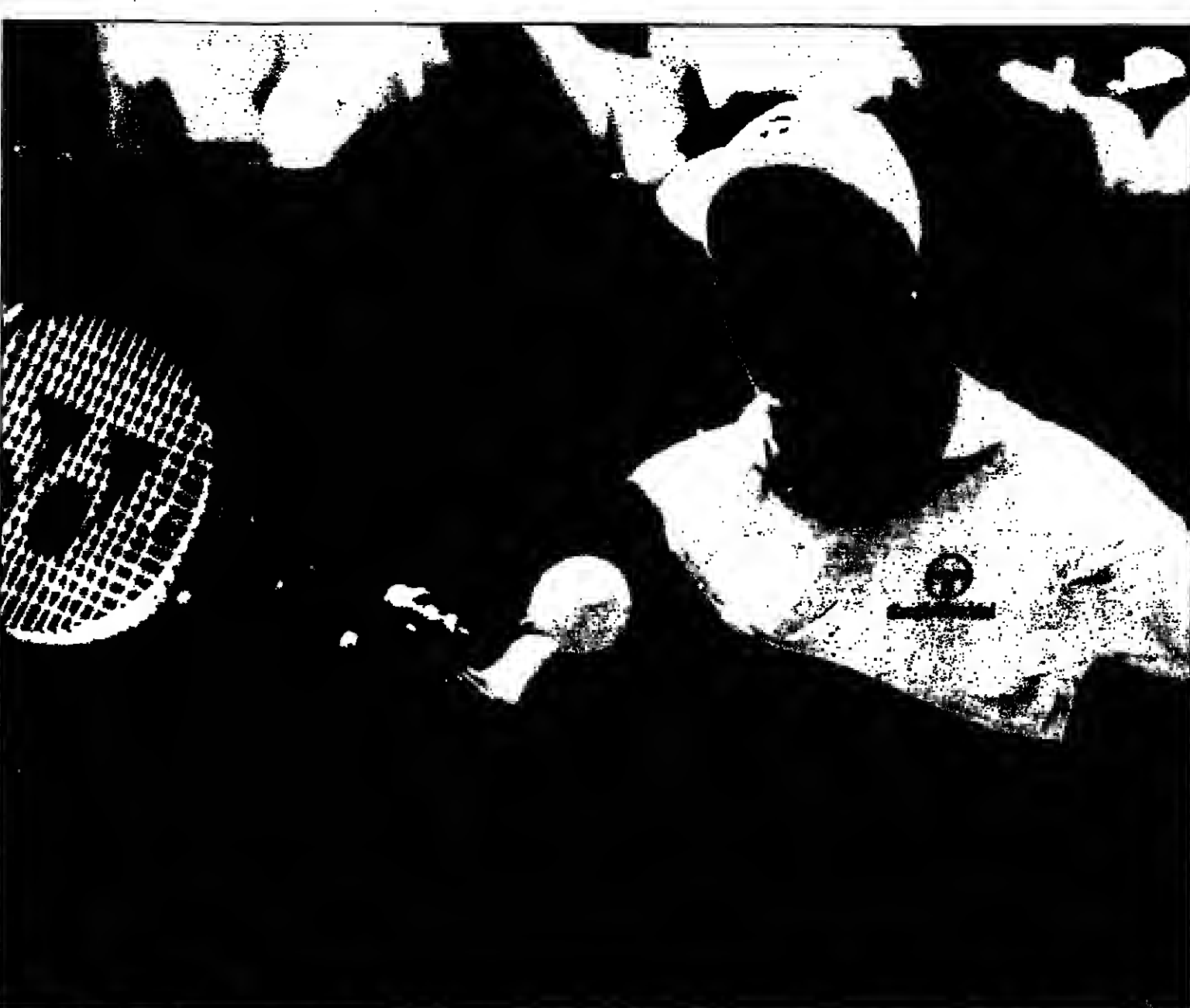
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Martina Hingis, of Switzerland, plays a forehand in her 6-0, 6-2 fourth-round defeat of Marlene Weingartner, a German qualifier, yesterday. **AFT**

McRae victory hopes raised

RALLYING

COLIN McRAE's hopes of victory in the Rally of Portugal were unexpectedly boosted yesterday when officials were forced to cancel the day's last two stages because of fears for the safety of spectators.

Rally officials took the unusual decision amid concern that with tens of thousands of fans flocking to the stages, to the south of Porto, spectators might spill on to roads on which the cars would be thundering past at speeds of over 100mph.

McRae, who has survived relentlessly pressing from his rivals since taking the lead on Sunday - the opening day, will take a 33-second lead into the final day today as he pursues a second successive victory in his Ford Focus. The Scot understood the efforts of the Toyota drivers, Carlos Sainz and Didier Auriol, who chipped away at the advantage of 50 seconds he had built up.

A 30-year-old could not register a single best time on the stages yesterday in contrast to the first two days when he was quickest in six out of nine stages. The 1995 world champion is confident his lead will be enough with just four stages left, even though both Auriol and Sainz set a series of quickest times yesterday. Sainz regained second place on the last stage before the abandonment with Auriol less than two seconds further back.

Richard Burns is fourth in a Subaru, just under a minute down on McRae, having also recorded a couple of fastest times. Tommi Mäkinen, the world champion, benefited from a couple of retirements as he moved from ninth to fifth for Mitsubishi, but he trails the leader by almost 90 seconds.

Salter relieves prop crisis at Broncos

THE LONDON Broncos have filled their front-row vacancy by re-signing their former Great Britain Academy prop, Matt Salter, and putting him on the field in Saturday's Challenge Cup semi-final against Castleford.

Salter left the club to play rugby union at West Hertsford at the end of last season, but London retained his registration, enabling him to play in the Cup immediately.

With their two senior props, Darren Bradstreet and Grant Young, both injured, Salter will be on the bench at Headingley. The Broccos coach, Dan Stains, has stepped up his

RUGBY LEAGUE

BY DAVE HADFIELD

attempts to enlist reinforcements since Young broke his leg at Sheffield on Saturday.

"I'm very pleased to be able to carry on the work that the Broncos had done with Matt and I'm looking forward to seeing him in action," Stains said.

Salter, aged 22, and originally from Blackheath, left London for a more lucrative offer from West Hertsford last October, but that club's financial problems have left him looking elsewhere. He has signed with the Broncos

all the rest of this season and fill them with his options.

It is a sign of how badly stretched London are that they could be including a player whose coach has not even been in the game of this importance, but Walter will act as vital back-up to the two second rowers, Steele, Hinchey and Shane Millard, who will be used as prop.

Their opponents coach, Castleford's Stuart Raper, does not believe that they will be weakened by the pair's presence in the front row.

"I'm a big fan of blokes like that," he said. "They're not very big, but they go forward all day and can often be hard to tackle."

Raper is confident that two of his three casualties, Dean Sampson and Aaron Raper, will be fit for the semi-final. There are still doubts about Danny Orr, whose chances Raper describes as no better than even.

"He's more confident than I am, but I'm told he's a quick healer," he said of his stand-off's knee injury.

Salford have launched an internal disciplinary inquiry into Andy Gregory's latest threat to resign. Super League's longest-serving coach hinted strongly that he would

After his side's defeat at Wakefield on Sunday, but without the threat on Monday.

Yesterday, however, the club's board of directors said that they were "disappointed" by his remarks after the match.

"His comments were not in the best interests of the club and its supporters," said a statement from Salford. Grouble has been in similar trouble with the board before, although there is unlikely to be any immediate question of sacking him, partly because of the club's chairman, John Wilkinson, is away until the end of the week.

Patience could have been thin with Gregory's outspoken behaviour, but since he can be an expensive exercise and, despite crying wolf on several occasions, has shown no sign of going of his own volition.

The Halifax utility player Martin Moana, who missed part of last season with a broken arm, has suffered a similar injury in the victory over Huddersfield at the weekend.

The St Helens forward, Paul Davidson, has been suspended for two matches for the reckless use of his forearm in the match against Gateshead on Sunday.

Russians just a waltz from win

ANJELIKA KRYLOVA and Oleg Ovsiannikov took the lead in the ice dance and were helped in their quest to retain the world title by an intense tussle for second place yesterday.

The Russian couple were winners of both the paso doble and the tango romantica compulsory dances on the cards of all seven judges while their French and Canadian rivals were tied in second place.

That stalemate assisted the Russian pair: If they win tomorrow's original dance, the waltz, they would have to finish an unlikely third in the free dance on Friday to surrender their title.

The second-place tie developed after Shae-Lynn Bourne and Victor Kraatz, of Canada, beat Marina Anissina and Gwendal Peizerat in the first dance only to lose to the French couple in the second. Irina Lobacheva and Ilia Averbukh, the European bronze medalists, were lying fourth. Krylova and Ovsiannikov have 0.4 placements to 1.0 for the second-placed skaters.

Bourne, skating with a knee injury that will require surgery after this week, said: "We can't wait to get out there for the original and free dances."

Krylova and Ovsiannikov beat the French, thanks to the marking of just one judge, at the European Championships in January and then again at the Grand Prix finals last month. Both the chasing couples will have a chance to catch the Russians in the waltz, worth 30 per cent of the marks. The compulsories were worth 20 per cent and the final accounts for the remaining 50 per cent.

Age is no barrier in figure skating, according to Tatiana Malinina, the Russian-born skater who competes for Uzbekistan and is expected to be one of the long-shot challengers to Michelle Kwan. Malinina brides when asked how she has become so good at the relatively advanced age of 26.

"Age has no meaning whatsoever," she said. "There is no [upper] age limit for competitions. I can skate until I'm 40 if I want to. I don't have problems with my jumps and I'm winning against the younger competitors and, of course, I have more experience."

Malinina won the Four Continents and Grand Prix final in the last month, beating the twice European champion, Maria Butyrskaya, in St Petersburg, Russia.

'Fifth major' provides local cheer for Duval

IF THE first major peak of the season comes in two weeks like with the Masters at Augusta, there remains a sizeable foothill to be scaled here this week. The Players' Championship has considerable merits but does not fall easily into any particular category of tournament. As David Duval tried to explain: "It's a big, established, important" - pause - "near major."

Whatever has gone before this season, and Duval was at the centre of much of it by win-

GOLF

BY ANDY FARRELL
in Ponte Vedra Beach, Florida

ning twice on the West Coast, including a last round 59 at the Bob Hope Classic, the real stuff begins on the Stadium Course at the TPC of Sawgrass tomorrow. Not only is the lay-out a demanding test but the first prize of \$900,000 (\$550,000) is hardly run of the mill.

That is around double what the winner will receive at An-

asta in a fortnight's time but the very proximity to Masters diminishes the prestige of an event often referred to as the fifth major." "If you gave me choice," said Duval, "I'd choose four others to win first. I wouldn't have the name [of a major championship]. But it does have one of the best fields of the year."

Duval was born in Jacksonville and still lives in the area, just down the AIA highway from Sawgrass. "I grew up watching this tournament,"

said the 27-year-old. "I used to sit on the hill behind the practice range watching guys hit balls for hours. This will probably be one of the most difficult victories for me to achieve in my career because it's at home. I don't try to put extra pressure on myself, but I probably do."

After a winning spree of nine victories in the last 18 months, Duval is pushing Tiger Woods at the top of the world rankings. Many feel Duval, despite not winning a major championship, should be the current No. 1. The

American is not that bothered. "Being No 1 is not something I'm concerned about because the system is not perfect," Duval said. "I don't want to criticize it too much because I don't have a better solution."

Also, maybe, because the rankings are run by Duval's own management company, IMG. Last week Woods was presented with the McCormack Trophy, named after IMG boss Mark McCormack, as the player who spent most weeks as the No 1 in 1998.

Despite only just missing the cut at Bay Hill last week, Woods pronounced himself happy with his new caddie, Steve Williams. A New Zealander who spent many years working for Greg Norman and Ray Floyd, Williams has replaced Mick "Fluff" Cowan, who proved steady influence in Woods' early days as a pro.

But the relationship became increasingly strained and on only coach Burt Harmon remains from the 1977 Masters champion's original entourage.

BASKETBALL
WBL Indiana 90 New Jersey 86; New York 100 New York 80 New York 77; LA Lakers 96 Dallas 93; Houston 110 Sacramento 100; Milwaukee 115 Detroit 88; Philadelphia 94; Minnesota 94; Seattle 92 Philadelphia 76.

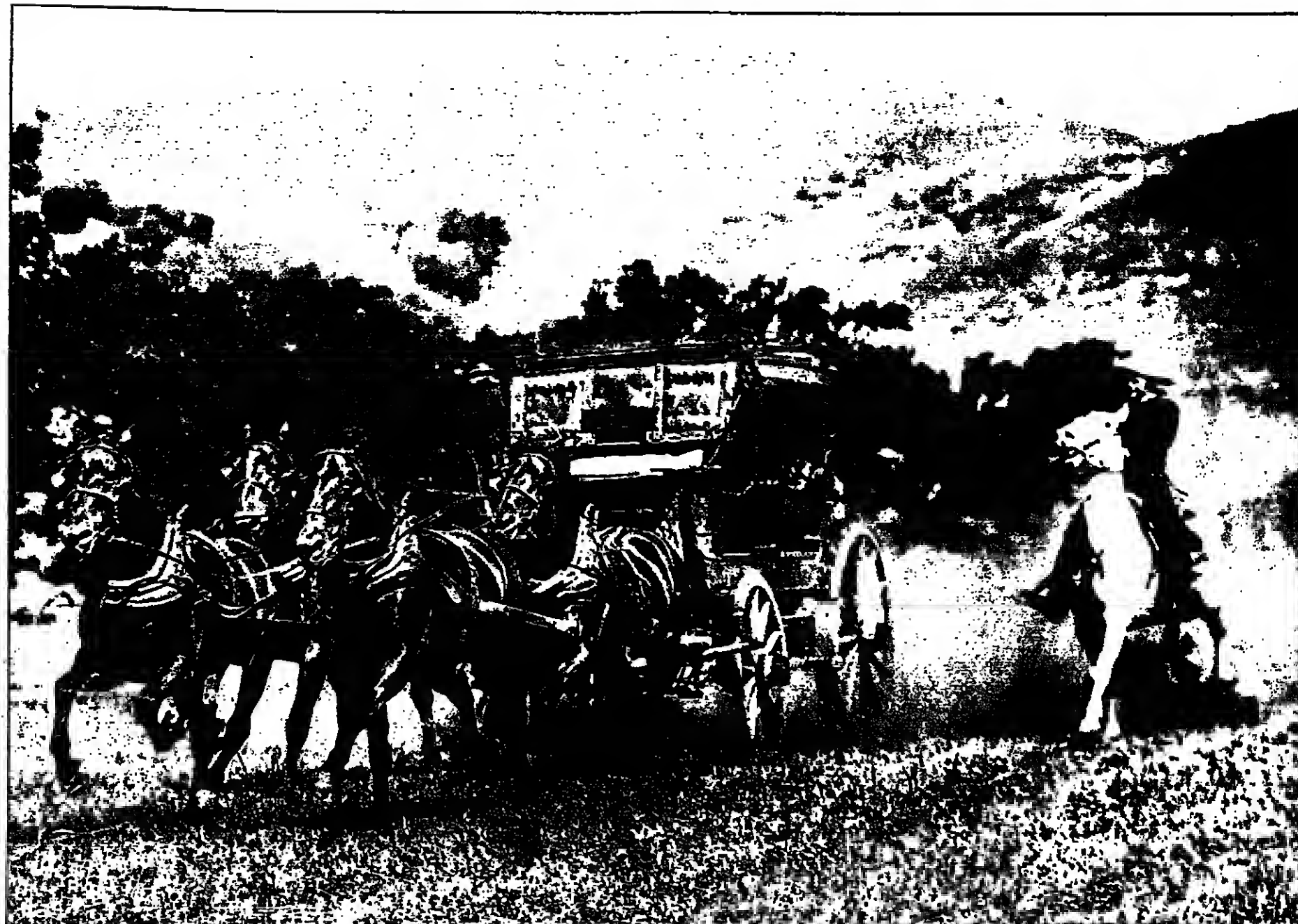
BOXING
 Julius Francis, the British heavyweight champion who beat Pete Rademacher to retain crown in London last night, has been handed a shot at the European title. Francis will fight the Croatian Zeljko Mavrovic for the belt which has been relinquished by Vitali Klitschko, the mandatory challenger, for Herbie Hilde's WBO title. Francis has fought Mavrovic before - when he was stopped in the eighth round in Vienna in February 1987.

Manchester's Michael Brodie has been ordered to make the next defence of his European super-bantamweight title against the Irish-born, 110-pounder, Patrick Mulligan, from Harlow.

TABLE TENNIS
 The World Championships are unlikely to be staged before the end of the year if most members of the BCF are to be satisfied.

FOOTBALL
 7.30 unless stated
NATIONWIDE LEAGUE
FIRST DIVISION
 Huddersfield 1 Norwich 7 (A.S.)
NATIONWIDE CONFERENCE
 Forest Green v King's Norton (7.45)
FOOTBALL LEAGUE FIRST DIVISION
 Wolves 1 Aston Villa 1 (7.45)
 Wycombe v Brentford (7.45)
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BUSINESS REVIEW



STAGECOACH!

AN EPIC TALE OF THE WILDEST BUS MAN IN THE WEST

Inside: How the boys from Yahoo! beat Rupert Murdoch and Bill Gates into Cyberspace, page 5

Losing it with flowers: the man who blew £10m, page 4

Who's the most switched on TV executive? page 6

Plus: Hamish McRae, Diane Coyle, Derek Pain, Jo Davis and The Trader

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THE BUSINESS WORLD

When taxation adds up to a moving experience

BUSINESS IS on the move and tax is in the driving seat. As anyone who tried to drive in central London on Monday will be aware, British lorry drivers are threatening to flag out their fleets to Belgium or Luxembourg. But that is just one example of a growing trend. Look elsewhere in Europe and you find: Swedish companies moving divisions to London; German industrialists switching investment to Eastern Europe; French companies crossing the Channel to Kent; and doubtless many more moves happening or being pondered elsewhere in Europe.

In one sense this is nothing new. Taxation has always been a major factor in plant location – that is why Ireland in particular has given such generous tax holidays to companies investing there, or why the Canary Wharf complex was built in the enterprise zone in London docklands. As for “flagging out”, flags of convenience have dominated global shipping for a generation. But the growing integration of the European economic area and the advent of the euro have given a new twist to tax competition in Europe.

The British road hauliers happen

to be at the wrong end of what is a cultural distinction within Europe, as well as an economic one. Ever since the 1950s it has been an aim of British tax policy to load “sin taxes” and since the 1980s it has been policy to cut tax on earning individuals. Road transport is deemed sinful in the UK, as are smoking and drinking. So diesel and lorry licences have by tradition been particularly highly taxed – as have cigarettes and booze. By contrast, on the Continent (though not in the Nordic countries) drinking and smoking, far from being frowned on, were celebrated, and France in particular sought to shift road transport from petrol to diesel to cut the volume of imported oil. So diesel was taxed at a much cheaper rate than petrol. Meanwhile the idea that driving should somehow be sinful would seem absurd in France, Germany or Italy.

So different tax structures developed. Until recently the scope for leakage of revenue, as a result of these different structures, was limited. It took a while for the smuggling rings to develop, bringing in cheap continental tobacco and drink, and it has taken a while for

foreign hauliers to move into the UK market.

As for diesel fuel, while the UK Treasury has been worried for at least 10 years by the extent of revenue lost by foreign hauliers filling up abroad and returning empty, its conclusion was that the loss of revenue was tolerable. After all, no one was taking lorries across the Channel simply to fill up on the other side.

That was probably the right judgement. All economies have frictions, and tax authorities could rely on these. Differences in taxation had to be quite large for companies to decide that they must adjust the way they run their businesses. There are legal and other costs to relocation, and cultural barriers too. Besides, you don't know at what stage there will be a change of government at home and tax policy will be reversed. For new investment there is a clear either/or choice: do we put the plant in this country or that one? Upping and leaving is a much more complex decision.

In the past few years, however, the frictions have become less marked. Accordingly tax competition has increased dramatically, as



HAMISH MCRAE

Lorry drivers threatening to relocate abroad to escape high UK road duties are part of a growing trend of companies abandoning a traditional national base in search of more favourable trading climates

power has shifted away from governments to the business sector. There are at least 10 reasons for this shift in power.

1. The increasing importance of cross-border mergers. Whenever such a merger takes place the new group chooses which country should be the formal headquarters. Taxation is an important factor in such a choice. Sweden has lost the headquarters of several companies.

2. Growth in cross-border investment in white-collar functions. When people think of foreign plants they usually think of foreign factories. Much new cross-border investment is, however, in white-collar activities – research and marketing for example. This is easier to relocate because, though core staff have to move, there is no need to move physical plant.

3. Growing importance of human capital vis-à-vis other forms of capital. If a company's most important resource lies in the brains of the key people, location has to fit their aims and objectives. Swedish companies in particular find they have to locate many divisions outside Sweden (typically in London) as foreign

staff will not pay Swedish taxation. Electrolux recently did just this.

4. (Associated with 3.) The emergence of an international cadre of business talent that will move location very easily and freely.

5. Improved (and cheap) telecommunications, in particular e-mail and the Internet-related technologies, which enable white-collar functions to be located anywhere – not necessarily at head office – and still connect into the corporation's information network.

6. The growth of English as the standard business language of Europe. This reduces the cultural barriers to movement of executives between different countries. The more executives can shift around the more they will seek to base themselves in low-tax countries.

7. Improved price and tax information, and better quality of service from the international accounting and management consultants. Any company seeking to relocate, or simply rebalance its functions between different countries, will find a one-stop advice centre in these consultants, giving it the options and fixing the practical arrangements.

8. Improved physical communications within Europe. For Britain, France and Belgium, a key change is the Channel tunnel. For all Europe, cheaper air fares are encouraging corporate mobility.

9. The explosive growth of US business in Europe, bringing a more global, “can do” approach to dealing with government.

10. And finally, the advent of the euro. Why is the euro at the end? Because while it is a catalyst for change, all the above shifts would have taken place – indeed, are taking place – without it.

The big point here is that these forces (and doubtless any business executive would add a couple of his or her own) are creating a much more utilitarian attitude towards government. Governments have a choice: they can either woo business or they can come it. But if they do the latter, they may not themselves survive, as “Red Oskar” found out. The lorry drivers blocking central London may not feel more powerful relative to government just now, but the more they exert their power by registering their vehicles offshore, the more they will feel that power. They may even come to enjoy it.

DATELINE: BANGALORE

Silicon Valley of the sub-continent

DRIVE 10 miles out of Bangalore on the road to Madras and provided you survive the stampede of bicycles, scooters, belching trucks, motorised rickshaws and the not-so-occasional hullock that constantly ply this four-lane highway, then you will arrive at Electronic City.

Incongruous as it may seem for a place that is still connected to a mains water supply only on alternate days of the week, Bangalore has become the software capital of India.

And how the area revels in its reputation as the Silicon Valley of the sub-continent. This year, India's exports of software are expected to reach \$2.7bn (£1.7bn). Of that, approaching a third will come from Bangalore. And of Bangalore's share about a third will be generated by the 80-odd companies based in Electronic City.

The shanty dwellings and street beggars – constant reminders of the abject poverty in which so much of India still lives – mean that, however much it tries, Bangalore will never become an exact replica of Silicon Valley. But amid the squalor there is more than enough evidence of the wealth and the conspicuous consumption that the computer revolution has brought.

The local airport sports a brand spanking new terminal, the best hotel in town charges \$180 (£112) a night, and Oracle, one of the many US software firms drawn to the region, has discovered that land is more expensive in downtown Bangalore than in its home base of Colorado Springs.

A glass of Kingfisher beer in one of Bangalore's 200 pubs will set you back 90 rupees (£1.30) – the equivalent of a day's wages to many – while the shops along Mahatma Gandhi Road are bursting with designer label goods to tempt its affluent army of software engineers.

In the space of a decade the Bangalore phenomenon has created an estimated \$500 million worth of programmes that the local software companies have used to attract senior executives.

Even the humblest software engineer in Bangalore draws a salary that many Indians could only dream of. A graduate with two years' experience will typically be earning

By MIKE HARRISON

20,000 to 24,000 rupees a month (£285 to £340), some 10 times the average income.

But the success of the sector has also brought familiar problems. The population of Bangalore has exploded from 1.5 million to five million people in six years and, not surprisingly, the infrastructure is creaking at the seams. Everywhere you look there is a mangle of half-finished apartments.

Since the software industry employs only 40,000 in Bangalore it is responsible directly for only a fraction of this population growth. But software has put Bangalore on the map. Where the likes of Siemens, Oracle and Microsoft have led, others follow. Every inward investor into India, whatever their business, makes a beeline for Bangalore. In turn, the rising affluence of the city has acted like a magnet for the whole region of Karnataka, fuelling mass rural migration.

The Indian government seems happy to live with such problems of success. Its National Information Technology Taskforce has set some ambitious goals. The Indian IT sector employs some 400,000 in total, of whom about 230,000 work in software. But the target is to create a further 500,000 jobs over the next five years and grow the value of software exports to \$50bn in the next 10 years.

So why India? And, more specifically, why Bangalore? Dewang Mehta, president of India's National Association of Software and Service Companies, says mischievously that one of the explanations for the growth of the Indian software industry has nothing to do with cheap labour or the plentiful supply of computer-literate graduates. “The only reason that a lot of Indian banks and financial institutions installed PCs in their offices was so that they had an excuse to fit air-conditioning at the same time.”

But it is no accident that India exports twice the amount of software that is sold in the domestic market or that most of the software companies in Bangalore are reliant on overseas customers, many entirely so. Companies which export 100 per cent of their output do not have to pay tax for 10 years. This, coupled with



India's new Electronic City, just outside Bangalore, has become the country's software capital

C Bowman

wage rates which are perhaps a sixth of those in the US or UK, has enabled India to become an important offshore centre.

Much of the software written in India is not proprietary and much of the income comes from maintenance work, upgrading the software installed in Western companies while the customer sleeps. The software which enables London Electricity to operate the capital's power grid comes from India. Many of the millennium bug computer upgrades for UK-based banks and financial service companies are being carried out in India.

The structural reforms ushered in during the reign of Rajiv Gandhi and his “computer boys” as Gandhi's inner-circle became known, also helped the software industry. Where as it used to take nine months to import a computer, the waiting time was cut to weeks. The government also made it possible to hire IT consultants outside India and, crucially, abol-

ished the office of Controller of Capital Issues (a bureaucrat who in effect decided the price at which companies were permitted to issue shares) making equity funding of software companies a viable option.

Mr Mehta identifies another trend. “The brain drain which saw a lot of Indian software engineers migrate to the US has begun to reverse.”

Why Bangalore is a more difficult question to answer. Some put it down to the Californian-style climate and stable politics of south India. Others to the proliferation of pubs where the computer nerds can hang out. The seminal event is generally held to have been the arrival of Texas Instruments in Bangalore in 1986. But that is not the whole story. Five years before TI arrived, a group of seven software professionals got together and with \$300 of capital formed a company pledged to the ethical creation of wealth. Today that company, Infosys, is valued at \$1.9bn,

employs 3,600 people and has just become the first Indian company to list on Nasdaq, the New York stock exchange which is home to the world's hi-tech companies.

Although the business was founded on the lofty principles of “fairness, honesty, transparency and courtesy”, its employees have been incentivised by something baser. After the business was floated on the Indian stock market in 1992, staff were given stock options at 100 rupees a share. Today, those shares have risen in value 300-fold and some 1,345 eligible employees are sitting on stock worth \$52m – an average profit of \$39,000 each and considerably more in some cases. Staff are also offered zero per cent mortgages and loans to do everything from buy a car to getting married.

The company, India's sixth biggest software exporter, is still run in the same ethical, paternalistic manner. Its chairman and co-

founder, Narayana Murthy, begins his staff memos “Dear Folks”, all employees are known as Infosians (and their children as “Petit Infosians”), lunch in the subsidised canteen costs nine rupees (13p) and every employee receives a birthday present from the company (this year it was a backpack).

But Infosys is facing a challenge on the employee-relations front. The last stock options issued in the programme were under the 1998 and from the end of this month the first options to be granted in 1994 become exercisable. Infosys is working on a new options package – the Nasdaq listing was driven largely by the desire to give its US employees stock options. But any new options will have to be issued at the market price. Mr Murthy recognises the challenge. “We will have to devise new forms of incentives, empower people more and make their work more flexible and interesting,” he

says. “We want to maintain the philosophy of ‘emotional ownership.’”

Infosys, along with the rest of the Bangalore software community, has its work cut out on other fronts. India needs to maintain its cost advantage over other countries and demonstrate that it is at the cutting edge of software development. Rangan Chak, Oracle's executive director for India, insists that the culture of its staff is now as important as the cost advantage, which he warns is being eroded through high capital and infrastructure charges – international telephone charges are \$2.50 a minute, for instance. “My reckoning is that although staff costs are only perhaps an eighth of those in the US, the overall costs are nearer 30 per cent. If that figure rises above 50 per cent then some software companies will ask whether it is worth being based in India. There might still be a sale going on but would you want to drive 1,000 miles to get to it?”

Within India, Bangalore is facing increased competition from Hyderabad and Bombay, which is still in absolute terms the biggest software location in India. Externally, the software firms are competing more for projects with offshore centres such as Ireland and Israel. Mr Murthy says Infosys is now considering setting up centres in low-cost economies, including Mexico, Ireland, China and the Philippines.

But perhaps the biggest obstacle to the expansion of India's software industry and at the same time the biggest growth opportunity lies in its own backyard. Only 2 per cent of Indian homes have a telephone and even fewer a PC. The government has set a target of increasing that to 15 homes in every 100 within 10 years. Sudheendra Kalkarni, director of communications and research in the Prime Minister's Office says: “The computer industry here has grown in spite of rather than because of government policy. We now need to bring together the public and private sectors to encourage computer literacy on a mass scale, not something which is confined to an elite class.”

Given the extent of basic illiteracy which still exists among India's 900 million people and its miserable experience so far in liberalising its telecoms industry, nobody in Bangalore is holding their breath.

A WEEKLY DIGEST OF THE WORLD'S FINANCIAL PRESS

BusinessWeek

BUSINESS WEEK
From boardroom to Brussels
change is sweeping
across Europe

NEW DEMANDS for transparency and accountability are eroding Europe's old tolerance for corrupt backroom deals and cronyism. But... even though they have resigned (Edith Cresson and her fellow European Commissioners refuse to admit they have done wrong. Similarly, executives at Telecom Italia and Paribas tried to save their jobs by backroom deals. The takeovers must continue, and a new European Commission president appointed quickly. Only if the clean-up is pushed to its logical conclusion will Europe become less corrupt – and a fairer, more open place to do business.

Editorial Comment

FORTUNE

FORTUNE
Monsanto scents a success amid
the attacks by Wall Street and
European environmentalists

ONE OF the ironies of Monsanto's situation is that even as the ire of investors and environmentalists builds, the company's prospects may be improving. Early returns indicate its arthritis drug, Celebrex, could be the fastest-selling new drug ever. Still, the company will have to convince consumers – and environmentalists – that its products are safe. Opponents say pollen will spread the genes to wild species. Monsanto... say the chance of genes crossing is remote. They'd better be right for the sake of investors – and of the planet. The last thing we need is salad fixin's that crawl.

Comment by Nelson D Schwartz

MARKETING WEEK

MARKETING WEEK
Many feel more could be done to
encourage competition between
beers behind the bar

THE PROBLEM lies in the way the industry is structured. The big brewers control most national brands, and these are the ones the pubs want. A pack mentality leads to increasingly regimented drinking behaviour. The solution? One is to introduce progressive beer duty, charging lower duty for smaller breweries. This could lead to a flood of niche, specialty beers from the UK's 400 independent brewers. Ten years after the Beer Orders attempted to introduce more competition to the UK beer market, action needs to be taken to stimulate competition which will lead to innovation.

Editorial Comment

The Economist

ECONOMIST
Clinton's debt relief solution for
the poorest countries simply
does not go far enough

THERE IS a good reason why debt relief produces meagre results: that the starting-point is too stingy. Calculations are based on the fiction that it might be repaid. Many countries default on bilateral debt, even as they repay multilateral lenders. This is absurd: debt relief should free resources. Mr Clinton's initiative to forgive more loans should be cheered. It is unfair to poor countries that just fail to qualify; it is unjust to those that strive to be good debtors. But these are all arguments for more generosity – not for continuing to punish the poor for the sins of their past rulers.

Editorial Comment

FINANCIAL NEWS

FINANCIAL NEWS
Getting remote terminals for UK
futures into the US hinges on
lobbying from American players

THERE ARE now five US futures exchanges able to operate electronically through remote terminals in the UK. It is hardly surprising, therefore, that the chairman of the London International Financial Futures Exchange, Brian Williamson, is feeling frustrated at the delays in being granted approval by the Commodity Futures Trading Commission to put Life's new electronic screens in the US. Life can lobby the UK government to try to speed things up. But the most effective lobbyists for Life in the US would be the big US derivatives houses themselves.

Editorial Comment

FINANCIAL TIMES

FINANCIAL TIMES
Why Government handouts
to car companies
should stop

SINCE MOST car companies in the UK – and the rest of Europe – are subsidised, it would be difficult for the UK government to refuse all help to save jobs in this case. The cost per job is high. But it is only half the cost to the taxpayer of the 6,100 jobs created by LG of Korea at two plants in Wales. In a world of excessive subsidies to car production, the chance BMW can save Longbridge may justify one last bet. But it must be the last. The UK government and its EU partners should try to end the absurdity of competing to subsidise an industry suffering from chronic overcapacity.

Editorial Comment

THE WALL STREET JOURNAL

WALL STREET JOURNAL
Why trying to avoid bank branch
closures across Europe is
dangerously short-termist

ITALY NEEDS bankers. It needs to get rid of some redundant bank tellers and managers, to be sure, but it needs to hire personnel that can sell personal and life insurance and other financial services. A rationalisation of the industry is long overdue in the country where banking was invented, and would in the long run create employment. This will be achieved at a faster rate if the next step in the process is in fact the kind of cross-border mergers that open up the Italian banking industry, long noted for its insularity, to influences from other parts of Europe.

Editorial Comment

JP 11/10/50

The reining-in of the Stagecoach Kids



No stunt was too naff for Brian Souter and his sister Ann Gloag, co-founders of Stagecoach. But with the publicity came the unwelcome attention of the OFT and a growing image problem. That was until the chino-wearing Souter brought in the suit-wearing Mike Kinski (left), and buttoned-up sobriety became the order of the day

BY CHRISTIAN WOLMAR

IT HAS been a relatively quiet time for Stagecoach since Mike Kinski took over as chief executive almost a year ago. And Mr Kinski is pleased with that.

No longer are there headlines about the company's predatory activities. Or about its cock-ups on the railways. Gradually the swash-buckling image of an aggressive company driving rivals off the road and attracting the wrath of the Office of Fair Trading is disappearing.

Instead, Stagecoach is now presenting itself as a respectable FTSE-100 company - which it joined last summer - intent on continued acquisition and growth. It may not yet quite be sober-suited because the company's co-founder Brian Souter, who remains a very active executive chairman, still gallivants around the globe in chinos and cowboy shirts in the search for new acquisitions, but Stagecoach is slowly earning the veneer of respectability that eluded it in its early years.

Mr Souter showed the City that he knew it was time for Stagecoach to grow up when he appointed Mr Kinski, who earned widespread plaudits at Scottish Power, to run the day-to-day business, allowing him to keep on travelling the world looking for deals.

While there have been no new blockbusters of the size of the Porterbrook rolling stock leasing company, bought for £326m in August 1996, there has been a steady stream of purchases over the past year: the stake in Virgin Rail and in the Hong Kong-owned Chinese road toll company Road King; Prestwick Airport; Citybus in Hong Kong; and the Yellow Bus company in Auckland, along with Fuller's Ferries in the same city.

There have also been a number of misses, such as Hong Kong's China Motor Bus, which went to the rival FirstGroup and, more recently, the Melbourne local transport network where Stagecoach failed even to make the shortlist.

Mr Souter's timing in appointing Mr Kinski, was, according to analysts, spot-on. The business was growing too big for him to run on his own, and his co-founder, sister Ann Gloag, had decided to take more of a back-seat role and rest on her considerable laurels. Mr Souter spent only a couple of days each week in the Perth HQ, and the rest of the time he was on the road, mostly seeking acquisitions and living out of his trademark plastic bags, which meant the day-to-day management was becoming neglected.

Mark McVicar, a transport analyst with SG Securities, says that Mr Kinski's appointment ensured that Stagecoach avoided the pitfalls that trap many other high-growth companies: "What works when you are small and doubling your turnover every year is not right when your capitalisation is in the billions."

"Mr Souter realised that he had to blend in his entrepreneurial flair with better management of the subsidiaries, and he addressed this issue before the company's financial reputation was affected."

The South West Trains fiasco in the spring of 1997 was a warning to Mr Souter, who is the first to admit that, despite his accountancy background, running companies is not his strong point. Little more than a year after it took over South West Trains, Stagecoach suffered its worst public relations disaster when it was forced to cancel thousands of trains because of a driver shortage that was compounded by poor labour relations.

Not only did this provoke a deluge of complaints from angry commuters, but it also prompted some City angst about Stagecoach's ability to cope with a more diverse portfolio, as the company sought to expand out of the bus market, which had been its original hunting ground.

So Mr Souter turned to Mr Kinski, a fellow self-made man from a working-class background, and allowed him a free rein in restructuring the company. Mr Kinski quickly sorted out the UK bus division, which consists of 19 different companies acquired around the UK between 1986 and 1997.

Mr Kinski explains: "Previously, there was not a clear, accountable management structure. Some reported to Brian Souter, others to Barry Hinkley [executive director] and others to Neil Renilson [former chairman of Stagecoach Scotland]."

Mr Renilson was edged out, along

with another executive, Jim Moffat of Fife Scottish, and Mr Kinski reorganised the mess into three regions, each accountable to him.

Then he set about strengthening the centre and filled what had clearly become gaping holes in the management of a major company - no human resources director and no head of communications. Both appointments were made quickly and an IT director was also brought in to sort out problems such as the different payroll systems used by all the bus companies. It was the birth of corporate Stagecoach, even though elements of the family history remain as Brian Souter still retains 12.6 per cent of the shareholding and Mr Gloag holds 10.2 per cent.

One tangible result of the way Stagecoach has focused more on day-to-day management has been the improvement in its performance on the railways. Reliability on South West Trains services has improved and new trains are on the way, with an order for 30 four-car trains in the spring. And Stagecoach's tiny Island Line, which runs old London Underground trains on the Isle of Wight, last month became the only one of the 25 franchises across the network to obtain the coveted

"A" grade from the franchising director who monitors train services.

Now, with restructuring costs no longer a factor, rail has also begun to be highly profitable, with profits up last year by 121 per cent to £17.3m, helped by a 7 per cent rise in passenger numbers.

The subsidy profile on South West Trains is incredibly generous, a reward for Brian Souter's readi-

ness to take on the first franchise back in December 1995, but the company faces a much sterner test with its 49 per cent holding in Virgin Rail, bought last June for £158m after Mr Souter approached Richard Branson. The deal allowed Mr Branson to avoid a flotation on the stock market, where he had his fingers burnt previously, but the benefits for Stagecoach seem less immediately

tangible since the subsidy paid to Virgin's two franchises, currently running at £171.8m per year, disappears entirely over the next decade to become a premium payment of £238.5m, a very ambitious task even if the current upgrading of the line is successful in attracting new business.

Virgin Trains continued to attract criticism, topping the rail

complaints league, and yet Stagecoach's input in the early months of its investment in the company seems to have been minimal. Last month, however, a new chief executive, Chris Green, who formerly ran InterCity, ScotRail and Network SouthEast, was appointed.

While Mr Green is well regarded in the rail industry, the appointment is not risk-free. Mr Green was forced out of the chief executive's job at English Heritage after falling out with the chairman, Lord Stevens, and getting into a wrangle over his expenses. Mr Green has set about his new task with relish. The complex structure of Virgin Trains and Virgin Rail was immediately simplified, and advertisements have been posted for an operations manager for the West Coast main line, the source of most complaints.

Mr Green finds it extraordinary that no one seemed to be running the railway, and while Stagecoach must take some of the responsibility for this, Mr Kinski explains that the focus was on getting the financing in place for the new trains, which was finally achieved in December.

While many City insiders consider Stagecoach's involvement in Virgin to be a prelude to taking over the

whole show, Mr Green is convinced that both companies see the partnership as a long-term proposition: "Mr Branson and Mr Souter are blood brothers. The skills of the two companies complement each other with Virgin providing the entrepreneurial flair and Stagecoach the attention to detail."

He says that a number of schemes involving joint use of Virgin trains and Stagecoach buses are to be announced shortly, such as a link between Carlisle and Stranraer, avoiding the circuitous train journey via Glasgow.

Mr Kinski is also addressing another problem acquisition - Swebus, Sweden's biggest bus company, where margins are in single figures. There is a tighter regulatory framework in Sweden and most services are tendered out in a highly competitive environment, but Mr Kinski insists this is not the problem: "When Stagecoach took it over [in August 1996], it failed to apply its usual model it had used in the UK. Swebus was top-heavy with a head office and four regional offices with each one a fiefdom. Also, even light maintenance was out-sourced to companies taking big margins. Now we are taking costs out, bringing maintenance in-house and we will be able to win tenders and obtain higher margins. We will be in double figures within a couple of years."

Created in 1980 by Brian Souter, his sister Ann Gloag and her then husband Robin Gloag (who was soon eased out), Stagecoach is Britain's biggest start-up company of the Thatcherite era, and grew quickly on the back of successive deregulations and privatisations - coaches, buses and trains.

It is now using the competitive advantage of being based in the country that has been foremost in transport deregulation and privatisation by venturing abroad. Indeed, unless Stagecoach was prepared to take the regulatory flak that a bid for one of its major rivals, FirstGroup or Arriva, would engender, most of its growth is likely to be overseas.

But can it keep up the pace? Not many young companies manage the transition from high-growth, high-risk teenagehood to respectable middle age without a major crisis or a complete change in personnel. Yet Stagecoach, which Mr Souter hopes will double in size again in the next four years, seems, so far, to be making the shift with barely a hiccup.

Some problems remain - under-performing Swebus, the vagaries of the UK rail franchising process, Virgin Rail's over-ambitiousness, Road King's poor share price, the flat margins of the UK bus industry - but all these seem trifling when set against the continued growth in profits, the increase in margins in nearly all sectors, and the continued performance of Porterbrook, the company's milk cow, providing half the profits.

There is also the risk that one day Mr Souter will attempt a deal too far, but there is very little in his record to suggest that he would risk the future of the company on a dodgy deal.

Mr Kinski stresses that he, too, plays an important role in the acquisition process, hinting that he would curb any of his boss's excesses: "Brian brings the ideas to me and to Keith Cochrane [the finance director] before presenting them to the board. I look at how we will operate the new subsidiary, and Keith checks out the figures."

Mr Kinski is also adamant that Stagecoach will not venture into dangerous waters: "We pulled out of Kenya soon after I joined because I don't want to operate in crisis areas. That means we will not be going into Africa, nor into Eastern Europe."

Despite its performance, Stagecoach has never quite been the darling of the City, which remains suspicious of a company that keeps its headquarters in unfashionable Perth and eschews consultants and other expensive City services whenever possible. There are, however, noticeably fewer Cassandra's predicting doom for this upstart product of the Thatcher years. And if the double act of Mr Kinski and Mr Souter proves as successful over the next few years as it has so far, the Square Mile may at last embrace the company wholeheartedly.

Christian Wolmar's book, *Stagecoach, a classic rags to riches tale at the frontiers of capitalism*, is published by Orion Books at £18.99.



Brian Souter and Ann Gloag, the Stagecoach brother and sister team with a reputation for high-profile, aggressive marketing Scottish Daily Record

INSIDE A BUS AND TRAIN EMPIRE

Turnover (year ending 30 April 1998): £1381.5m (half year to October 31 1998 - £722.7m, up 6 per cent)

Operating profit: £219.1m (half year to October 31 1998 - £132.1m up 30 per cent)

Market capitalisation (24 February 1999): £3.394bn

Employees: 33,000 in seven countries

Board: Brian Souter (chairman), Mike Kinski (chief executive), Keith Cochrane (finance director), Ann Gloag, Barry Hinkley, Brian Cox, Derek Scott; non-executive directors: Ewan

Brown, Barry Sealey, Robert Speirs

Divisions

UK bus: 19 companies including operations in London, Manchester, Newcastle, south

coast, Glasgow, Fife and many other towns and cities

Overseas bus: includes companies in Sweden, Finland, Portugal, New Zealand and Australia, and in the process of acquiring Citybus in Hong Kong

Rail: South West Trains, Island Line and Sheffield Tram

Porterbrook: rolling stock company

Airport services: Prestwick, Britain's second largest freight airport

Other investments include Virgin Rail (49 per cent) and Road King (29.2 per cent)

ENTERPRISE ISSUES

Invest in machinery made of flesh and blood

WE HUMANS – described by one techy writer as “the wet side of the carbon-silicon divide” – have a natural tendency to regard machines as human too. If your computer plays up, you talk to it, shout at it and finally hit it, in a caricature of a dysfunctional human relationship.

But the key to understanding many trends in the modern, weightless or knowledge-based economy is rather to think about humans as machines. Human capital has finally become as important as physical capital in economic growth.

This is why so many people in professional jobs work all hours, facing a dilemma about how to balance work and home life – how to combine being a piece of expensive capital equipment with being a person too. Such workers represent a long and expensive investment in knowledge and expertise, and one for which employers pay with high salaries. Research published just over a year ago by the Institute for Fiscal Studies confirmed that the

returns to higher education are in double digits.

As with any type of costly equipment, the employers leasing them at expensive rates want to sweat their human machines as much as possible. The more hours of work they can extract, the better. The limits are physical – humans are less productive when they suffer stress and get too little relaxation and sleep. They burn out or drink too much or fall ill.

Still, with the technology available to the staff to their work even when out of the office, the temptation for employers to demand more and more effort is immense. Few resist it.

Few even manage to recognise that there might be a trade-off between short and long-term returns to human assets. If the unit of human capital, or employee, is permitted an easier time, allowing him or her to go home early sometimes, take longer holidays, go to the art gallery or concert at lunchtime, take time out to go to the gym during the day – how

pleasant it is to fantasise about the possibilities – this might replenish their capacities and make them more productive for longer. But in a ferociously competitive world, it is all too easy for companies to focus on getting more output now.

Of course, one of the results of this pressure is that many highly qualified people prefer to set up on their own. They will have to work just as hard, but they will get all the return to their investment in themselves. The same force is behind the need for high-technology companies to give employees generous equity options. In other words, the economic forces driving companies to make key staff work as hard and as long as possible paradoxically reflect a change in the balance of power in the workplace that favours employees at the expense of employers.

For human capital, as opposed to basic labour, is scarce. It is only custom that leaves the power to exploit it in the hands of companies. That, and the reluctance of many people to take on the risk of competing



DIANE COYLE

Governments all over the world must extend and improve access to education

in an uncertain world themselves. But most companies have removed the cushion of protection from the ups and downs of business they once offered employees as part of the compensation package. Those that are all too willing to shed people during downturns have thrown away the financial advantage of mutual loyalty.

There is another consequence of the scarcity of human capital, and its high price. That is the tendency towards greater inequality of incomes. It is a well-known fact that the earnings distribution in the UK is more unequal than at any time since the Industrial Revolution.

The explanation is pretty much the same – and so is the eventual solution. There are relatively few people around with the skills needed in industries that account for a growing part of economic output. A shortage of any sort of capital means the returns are bid up. This is one of the reasons the top end of the income distribution has been stretched upwards. In the

long run, of course, excess returns ought to stimulate more investment. A century ago in the western economies this happened with the spread of universal primary education and the creation of a national system of elementary schools. Over a period of 30 years or more – a full generation – this steadily made the income distribution less unequal by raising the incomes and living standards of the poorest.

This is exactly what needs to happen again now. Governments all over the world must extend and improve access to education. In the West, this means getting more and more young people into tertiary education and significantly raising standards. Although the Labour Government certainly stresses the importance of education, the UK, as with other countries, will have to start spending a lot more money on education.

According to OECD figures, the average member country spends 6 per cent of GDP on education – it is about 4 per cent of GDP in the

UK. The rate of investment in physical capital is about 20 per cent on average – 16 per cent in the UK. We ought to be thinking about bringing those two ratios in to line.

In the developing world, it means education is an economic and not just a social priority. As an Oxfam campaign launched this week emphasises, there is a serious danger of the poorest countries in sub-Saharan Africa getting left even further behind because their governments cannot afford to put all the children through school, and perhaps do not even value it. Inequality between countries, as well as between citizens within countries, is driven by unequal access to the possibility of improvements in human capital.

Human well-being ultimately depends on economic growth. Economic development depends on investment. And investment means investment in the machines made of flesh and blood as well as those made of metal and plastic.

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Paul Fraser (left) and Tim Dunningham of Flying Flowers have faith in their future together Tony Andrews

FOCUS

The stamp collector who lost a mint in the flower market

BY JACK O'SULLIVAN

PERHAPS, AS a stamp collector, Paul Fraser is accustomed to people cracking jokes about him. But nothing could quite have prepared him for the cruel humour of the stock market. Nor for a shock worse than finding that your mint condition Twopenny Blues are fakes.

Mr Fraser thought he had struck a great deal when he sold his solid, respectable stamp dealership, Stanley Gibbons, for £13.5m last April. But there was a problem, familiar to all stamp collectors. His newly acquired wealth was only on paper. It was held in the shares of Flying Flowers, the Jersey-based group that supplies flowers by post. Flying Flowers had bought Gibbons amid spring talk of blossoming profits.

Sadly, by the summer, such hopes had faded. Sales of lilies, petunias and begonias through the post were not doing well as the bedding plant market wilted. Flying Flowers shares slumped 45 per cent in a day after a profits warning. “I was in Washington on holiday,” says Mr Fraser this week as Flying Flowers announced their annual results, showing pre-tax profits well down at £5.1m. “It was 8.12am on July 14 when the phone woke me and I was told about £5m had been wiped off my shareholding. What did I do? I had the cheaper breakfast.”

Suddenly a dream which he had spent nine years building (though he swears he does not collect stamps himself) had been shattered for him at the age of 43.

Shares which had been worth 55p each when Mr Fraser bought them in April were suddenly trading at around 30p. Nor can Mr Fraser's mood have been much improved by the knowledge that directors of Flying Flowers sold hundreds of thousands of shares at 55p just days after he had bought into the company. And the news got steadily worse. “There was another profits warning in August. My

shares fell another three or four million. So by then I had lost £10m.” He would have been better off selling Stanley Gibbons for a few Penny Blacks. Little wonder that by September an increasingly desperate Mr Fraser joined Flying Flowers full-time and was appointed joint chief executive, alongside Tim Dunningham.

So what went wrong? You might think that one of the world's most famous stamp dealerships and a mail-order florist never really had a great future together. But Flying Flowers saw an advantage in two companies coming together which specialised in selling from catalogues. They also had a first-day cover business which married well with Gibbons. The real problem seems to have been more than the incompatibility of products.

A Jersey-based broker gave his version. “I reckon they were so busy with the Stanley Gibbons acquisition, they took their eyes off the ball,” he says. “They had this big advertising campaign back in 1997 when their sales of bedding plants did very well. But they didn't keep a close enough check on what the market was telling them the following year. They were anticipating a similar uplift in de-

mand and had already arranged to meet that demand by outsourcing supplies of plants. The growth never happened and they ended up having to destroy quite a few unwanted plants.”

The broker absolved the management of anything worse than uncharacteristic incompetence. “Tim Dunningham is very straight. And he is usually very good at handling mail order lists. He knows how to experiment with them and use the information well. That is why I was surprised they cocked things up so badly.”

It is an account which the management of Flying Flowers now largely accepts. Tim Dun-

what happened. I think every-one was plain with me about the company. It has been another rich experience under my belt. Onwards and upwards, I feel very positive about what we are doing at the moment.”

Nevertheless, a shake-up is taking place in the board room. The chairman, Walter Goldsmith, a former director-general of the Institute of Directors, is standing down in favour of Roger Norbury, former chairman of investment banking at NatWest Markets. Mr Goldsmith presided over a long expansion in Flying Flowers. But his record was somewhat blotted latterly by stating, just after the Stanley Gibbons acquisition, that it “would enhance shareholder value”. Not, sadly, for Mr Fraser.

So what is the future now for his investment? The prospects for a big breakthrough in the bedding market do not look great. The Sunday supplements are full of advertisements from the big seed suppliers such as Cuthberts who have diversified their activities. Flying Flowers faces a more competitive market than in the past.

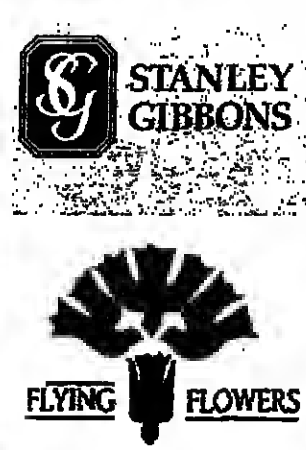
But Mr Fraser is hopeful. “All I can say is that the future looks good. Looking at television, for example, it is very encouraging to see how gardening is so high up on the list of interests.” He may be banking on stamp collectors more than hanging baskets to make him back his millions, a judgement with which analysts would agree.

“We have a terrific brand name in Stanley Gibbons,” he says. “It is the perfect product for the Internet. We have an awful lot of information on our site. After all we have been publishing catalogues for a hundred years, so we could easily become the main site for collectors.”

Like any wise collector used to keeping his wealth in bits of paper, he declines to be drawn on when he will be worth £13.5m again. “I'm taking the long view,” he says with a laugh.

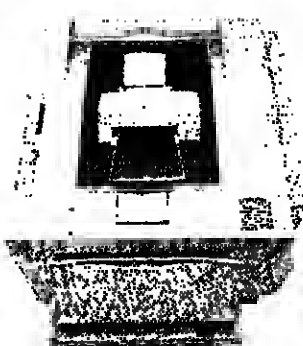


Walter Goldsmith, the chairman of Flying Flowers who took over Stanley Gibbons, is standing down



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MY FAVOURITE RESTAURANT

No pretensions – or GM food

MALCOLM WALKER, chairman and chief executive of Iceland Frozen Foods, says he'll eat anything as long as it is not fatty meat. But his real preference is for the olive oil, red wine and grilled meat or fish of the Mediterranean diet.

So it is the River Café, with its Italian-inspired cuisine, which sums up everything he likes in a restaurant. “It's totally unpretentious and the food is just stunning,” he says. “They use the finest and often the most expensive basic in-

gredients. I hate starched table covers, formal service and rich French food,” adds the 53-year-old who founded Iceland, now more than 700 outlets strong, in 1970. Walker first visited Rose Gray and Ruth Rogers' fashionable Thames-side restaurant two years ago and eats there on regular trips to London from his Deeside head office.

Its simple mozzarella and tomato salad is the epitome of why, for him, its food is divine. “It's a little thing, but mo-

zzarella can sometimes taste like rubber,” he says. “If you have it at the River Café the mozzarella is like nothing you've ever tasted. It sparkles like sherbet on your tongue.” “They use top-quality ingredients and are not afraid to say that, in some cases, tinned tomatoes are better than fresh ones – much better than tasteless Dutch ones, anyway. Not being pretentious about food is very important to me.”

In any case, the man who

guarantees Iceland-brand products contain no genetically modified ingredients says he has no worries on that score when visiting the River Café. “GM soya is used only in processed food and everything the River Café makes is freshly prepared,” he says.

“And at the River Café,” he adds, “I don't have to wear a tie.” The River Café, Thames Wharf, Rainville Road, London W6 (Telephone 0171-381 8324)

Big idea

PERSONAL DETAILS: As a former head of the British Telecom's mobile division, Walker is a man of many talents. He is a keen gardener, a collector of stamps and a lover of the River Café. He is also a man of many secrets. He is a man of many secrets.

WALKER: The man who guarantees Iceland-brand products contain no genetically modified ingredients says he has no worries on that score when visiting the River Café.

TOUT

Microsoft

Thriving on Ross Goobey's kind of wisdom

THE DEATH of George Ross Goobey, the man who introduced the "cult of the equity" to the UK's professional investment scene, is a timely moment to stop and take some badly needed perspective on the current state of the markets.

As most of the obituaries have rightly noted, in a long and distinguished career as the in-house manager of the Imperial Tobacco pension fund, Mr Ross Goobey did more than any other single individual to persuade pension fund trustees in this country that it was both prudent and rational to commit most of their assets to the stock market.

Before his arrival on the scene, most pension funds had most of their assets invested in Government and corporate bonds. Bonds were, as recorded in the pages of the Forsyte Saga and other chronicles of the lives of the affluent, the "safe as houses" medium of choice when it came to investment. What, after all, could be safer than putting

your money with the Government, the safest credit in the land? The idea that the average pension fund might have 75-90 per cent of its assets invested in the stock market would have been regarded at the time as the height of folly. Yet that is the situation today.

What conventional wisdom of the day failed to see - but which Mr Ross Goobey most certainly did - was three things. One was that equities are ideally suited to the kind of long-term investment that pension funds are perforce engaged in. Because dividends grow faster than inflation over time, equities provide pension funds with a well-fitting match for their long term liabilities, which are to pay pensions linked to the rate of increase in wages and prices.

Secondly, Mr Ross Goobey was smart enough to see that gilts and other bonds, however safe they might seem to be on the surface, were in practice anything but. His original line was centred on the in-

famous 2.5 per cent Consols issued by Hugh Dalton, the first Chancellor of the post-war Labour Government.

At a time when inflation was at 4 per cent, there was no way in theory or practice, he pointed out, that Consols could provide pension funds with the 5 per cent a year returns that they had blithely offered their employees and pensioners. Yet for years many pension funds continued to load up with gilts, oblivious to the real risks that they were running (even if, to be fair, none of them could have foreseen quite how bad the inflationary excesses of the Sixties and Seventies were going to be).

Thirdly, given these first two insights, it was not difficult for Mr Ross Goobey to spot another feature of the investment markets in the immediate post-war period. Precisely because conventional wisdom held that gilts were a safer choice than equities, shares and gilts were always priced in such a



JONATHAN DAVIS

What his career ultimately demonstrated was the essential paradox of all investment

way that the yields on shares exceeded that of gilts.

It was only when the rest of the world eventually concluded that this was the wrong way round did the anomaly disappear. By being the first into the field, Mr Ross Goobey was able to benefit not just from the superior returns provided by equities over the long term, but he also gained from the once-in-a-lifetime revaluation of shares as the "cult of the equity" became a reality in the mid-Fifties.

This is the origin of the so-called "reverse yield" gap, the notion that shares should - as they do now - always yield less than gilts, rather than the other way round, which is how it had been for 100 years or so before Mr Ross Goobey arrived on the scene. Since the Fifties, the yield on gilts has consistently and without exception exceeded that on shares. It still does so today - although with inflation falling, the margin between the two has fallen to its lowest level

in many years. The interesting thing about Mr Ross Goobey, however, is not just that he was the first professional investment manager to expose the internal contradictions of the prevailing actuarial assumptions which underpinned the valuation of the market at the time. What made him an outstanding investor was his refusal to let conventional wisdom (including his own) blind him to changes in the prevailing climate.

By the early Seventies, for example, he realised that the revival of the equity markets had gone far enough and made a second big strategic leap into property, which he believed offered better value than the stock market. By the time yields on gilts had reached double digits in the mid-Seventies, he was quite prepared to argue the case for them as well.

The interesting question is what he would think of the markets today. I don't know what his personal views were more recently, but

re-reading this weekend a speech he gave at an investment conference in 1971, it is striking how clear his analysis of the bull market at the time was. He went out of his way to make clear that the move out of gilts which had made his name arose "only because I was convinced that they were ridiculously cheap compared with the traditional gilt-edged, and not because I was following a cult or a fad".

His conclusion then was that there was little to choose between gilts and equities at their then levels, but that in his view property shares offered a better long-term investment than either.

What Ross Goobey's career ultimately demonstrated was the essential paradox of all investment - which is that conventional wisdom can never by definition deliver more than average performance. To do exceptionally well, you have to embrace an insight that may well appear cack-eyed to most sensible people at the time.

Should you invest in... the financial sector?

THERE IS little doubt that the financial services business is likely to show considerable growth over the next decade. But the question of which companies are best placed to take advantage of this process is less clear-cut. The "other financials" sector is one of the "mixed-bag" market groupings, where the niche of an individual company is more important than the fact that it shares a financial business with its peers.

Broadly speaking, there are four types of company within the sector - stockbrokers, companies offering other forms of financial advice or service, trade finance houses (often with considerable overseas exposure) and fund management companies. It is the latter group that has been attracting the most attention recently.

The really positive news within the last couple of weeks has been Prudential's offer for M&G Group," said Richard Peirson, manager of Framlington's specialist Financial Fund. "It was not just M&G that rose on that. Perpetual, Schroders and several other fund management companies bounced back very sharply."

Mr Peirson warns, however, that this particular rally may only be short-lived. "Some of this has been overdone," he says. "Prudential paid a premium price for a trophy brand name with M&G. Even though it has been underperforming for some time, M&G is still one of the best-known names in retail fund management."

This opens the question of whether the Pru/M&G link-up ushers in an era of corporate activity that may see more

BY KEIRON ROOT

takeovers. "The M&G bid could be an indication that the Pru feels that returns from life and general insurance are not as attractive as those from fund management," said Jeremy Batstone, of NatWest Stockbrokers. "The Pru's own figures assume that the unit trust business is going to increase threefold over the next few years, which will leave some of these fund management companies in very promising positions."

Gavin Oldham, of the retail brokers The Share Centre, said: "The arrival of ISAs is going to have a big impact and the fund management companies are going to be the major beneficiaries in the retail market, as the Government has applied CAT standards only to collective investments."

Mr Batstone sees potential for further consolidation. "One effect of the deal is that other fund management companies are now wondering whether they will be involved in the consolidation process. "Perpetual is an obvious one that stands out, as is Schroders, which is often talked about as a takeover target. It is one of the last remaining independent merchant banks with the controlling family still owning 47 per cent of the shares."

Similar factors affect other types of company within the sector although the position is not as clear among the stockbrokers. "I'm not sure you can be over-specific about the effects of consolidation here, as it is so much a 'people business'," Mr Oldham said. "Mid-range private client business is coming to the fore, so there is

a lot of longevity. There is quite a lot of hot air about the inevitability of mergers."

This suggests a promising future for acquisitive brokers such as Brewin Dolphin, Rathbone Brothers and Gerrard (which owns Greig Middleton), provided they can offer the right type of private client service. Mr Oldham said: "There is enormous potential growth in this particular market, both in terms of customer demand and their ability to access services, through such areas as the Internet. If you look at some of the ratings of retail brokers in the States, you see evidence of this - there was a period recently when Schwab became worth more than Merrill Lynch."

Beyond these growth stories, the waters become darker. "It is not a particularly homogeneous sector," said Mr Peirson, "so it is not easy to give a broad view of major trends. One general point you can make is that this group has tended to underperform both the overall financials index and the main market over the past three or four months, ever since the sharp drop in market confidence last October."

In other words, whilst the big banks and insurers have already bounced back quite strongly, the smaller, more diverse companies in this sector have taken longer to respond. But respond they undoubtedly have. "The sector was the second best performer in the market during February," Mr Batstone said, "rising 14.1 per cent." This compares with a 12-month rise to the same date of just over 15 per cent.

This sluggishness is put down to the fact that the group



Prudential boss Sir Peter Davies's offer for the M&G Group has boosted the sector. The Advertising Archive

at present contains no FTSE constituents, Mr Peirson said. "Most of the companies in this sector have been mid-cap or small-cap and have, therefore, been underperforming."

Mr Oldham said this phenomenon has been repeated across the whole stock market. "Smaller cap companies have found that their market makers have largely disappeared as a result of the introduction of order book trading for the FTSE 100 companies. A lot of houses have discovered they don't need a market-making function to trade large caps, so have dispensed with it altogether and a lot of liquidity has dried up from the mid and small-cap market as a result."

Mr Batstone says this situation could get worse. "M&G is currently the largest stock in the sector and when it goes, the sector is going to become even less attractive to those institutions who don't bother with companies when they fall off the screen."

SHAREWATCH

BUY

Standard Chartered says SG Securities. (860p) Standard's strategy has been to expand through the Asian economic downturn, positioning the group to capitalise on Asian economic recovery from 2000 onwards. Long term economic growth of 4-8 per cent, compared to 2-3 per cent in Europe, offers the prospect of higher rates of return for Standard Chartered than for the domestic UK banks. This gives a price target of 1200p a share. WPP is a good buy (523p) says Charles Stanley. In addition to acquired growth, the apparent scope for margin expansion within the existing businesses should continue to transform single digit revenue growth into double digit earnings for some time to come.

SELL

J D Wetherspoon (284p) says Charterhouse Securities, which predicts two years of good growth before momentum begins to slow down. As a consequence, there is a high probability that the rating will decline from its current premium level. It suggests that investors should look to reduce holdings and reinvest them elsewhere into quality operators with plenty more mileage ahead of them.

NO PAIN, NO GAIN: OUR MAN'S PORTFOLIO

Go for the sound high yielders

THE STOCK market has yet to fully appreciate the country has entered an age of low interest rates. With money rates at their lowest for more than 30 years, and further reductions expected in the next few months, it is surprising to find that around the market so many well known and substantial companies with high-yielding shares.

Normally a high return signals at least the likelihood of a cut dividend, perhaps no payment at all or even acute danger. Indeed the higher the yield the greater the risk.

The latest FTSE shake-up underlines the way the market has lost sight of simple attributes such as profits and dividends. The groups bundled out of the blue chip index this week are making handsome, although not spectacular, profits headway and, in the main, increasing dividend payments.

Gallagher, the cigarette group, is one of the ex-FTSE trio. Its shares offer a yield of more than 7 per cent. In part this is due to the realisation over recent weeks that the



DEREK PAIN

group's FTSE status was under threat with the consequent erosion of confidence as FTSE tracker funds bailed out.

But not so long ago 7 per cent indicated all sorts of possible disasters. Yet Gallagher is trading well. Although profits were down, the cigarette company still made £18.6m and should do better this year. More importantly it will have no trouble holding its dividend.

Safeway, the supermarket chain, was another FTSE casualty. Here profits should be marginally ahead, say £355m

against £340.2m. But the dividends should at least be held, providing a 7 per cent-plus yield. To add to the investment appeal, Safeway has aroused predatory instincts. Asda would have liked to agree a merger, but Westminster's attitude was the stumbling block. And Wal-Mart, the huge US retailer which has been linked with a host of chains in this country and Europe, could settle for Safeway's undoubted charms.

Tomkins, the out-of-favour bus-to-guns conglomerate, also yields more than 7 per cent. The group has cash to burn, hence its current tender offer to mop up £400m.

I am not suggesting any of the three relegated shares are about to go storming ahead. Trading prospects are not sufficiently exciting. It would need a take over bid to light any fire. But any investors who regard a good return as an important part of their portfolio policy should think in terms of the sounder high yielders.

Most of the high yielders are outside FTSE. But FTSE constituent, National Power, offers

almost 7 per cent. However its apparent generosity may not be all it seems. There is, in some quarters, a queasy feeling it may in a few years find it necessary to cut its payment. However BT Alex Brown disagrees. The investment house sees the privatised generator achieving a progressive dividend policy.

In the lower reaches of the market, yields can achieve Ruritanian levels. Even double figure returns lurk. However they are likely to be something of an illusion. A dividend cut is normally to be expected with such an offering.

Little Leeds Group, a textile business, has been offering a fancy return for a long while. Its rating shouted that a dividend cut was inevitable. In the event, it held its payment although profits fell by around a third.

If Leeds, admittedly operating in one of the toughest industries, can hang on again - and there are those who think it will - then it will make the ultra-safe returns offered by special savings accounts like those of, say, the Halifax, look like dead money.

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Evolution of the electronic trader

BY ROBIN AMLOT

THE OLD image of the stockbroker was of a chap - remember women did not exist in the City then - who arrived at the office with his bowler and briefcase in time for his mid-morning tea, had a longish lunch with a client, which the client paid for one way or another, and then went back home in time for afternoon tea. The Eighties put paid to all that, and gave us loud-mouthed yuppies with even louder braces.

Now, a mixture of social and technological developments are likely to put the yuppie stockbroker on the endangered species list. The social developments are there for all to see. We are being increasingly exhorted to fend for ourselves financially, even by New Labour.

The state has more or less reached the limit of what it can do to provide for us all, which means more responsibility is being thrust on the individual. That means we have to look after our own pension provision, our own long-term care and our own financial security. The mesh in the safety net now has larger holes.

Add to that social imperative the technological developments of the cheap personal computer and the Internet - not only has greater financial responsibility been thrust on us all, but also we actually have the power to do something about it.

Internet penetration and the use of computers in the UK is following the path already trodden in the US. In percentage terms of market penetration we are now where the USA was two years ago and more of us have regular access to the Internet than any other two European countries put together.

You should already know that the Internet can be an incredibly powerful information resource. It is the ability to access this information, take advantage of the knowledge it confers, and make your own investment decisions, which will lead to the demise of many of the broad-braced brethren of the City.

Stockbrokers offer three types of service: execution-only, advisory and portfolio management. Unless you are



With the power of the Internet, you can cut out the middle-man and buy and sell your own shares via the worldwide web

Rex Features

sitting on a sum of money in the high six-figure region, the costs of having your portfolio professionally managed are unlikely to be worthwhile. Most of us must make the decision between execution-only and advisory services and, until the past couple of years, we had the choice of dealing over the telephone or by post.

However, in the past two years, the growth in Internet usage has seen an increasing number of stockbrokers setting

up websites to attract clientele in cyberspace. Of the firms with presence on the Internet, a handful of UK brokers offer dealing services. They are not going to be in the minority for very long. The first online dealing services were little more than an alternate way of contacting your stockbroker. If you were going to buy or sell shares, instead of calling on the telephone, you sent what amounted to little more than a glorified e-mail.

On receipt of your message a stockbroker would read it and then make the trade for you. E-mail is obviously faster than the Royal Mail, but such services offer few attractions over existing telephone-based dealing operations.

What has changed in the past few months is that you can now execute your own trades. Instead of sending an e-mail to a stockbroker requesting the sale or purchase of shares, you are making the actual trade

yourself. Through a link ultimately to the Stock Exchange's own computers you deal immediately at the price you see on your screen. The first such fully automated web-based trade in the UK market took place at 9.11am on Monday, 14 December, via the brokerage Charles Schwab Europe.

Let's take another look at developments in the US. Three years ago, Charles Schwab launched its online trading venture. It is now the biggest in the

USA with 2.24 million online accounts and \$174bn (£110bn) under management via the Internet. In January, Schwab clients executed an average of 153,000 electronic trades every working day.

Schwab is not alone. There are now 112 online brokerage firms in the USA, offering individuals the ability to trade in stocks and shares. Between them they have almost 8 million individual customers.

Christos Cotsakos, chair-

man of the US's third largest online firm, E-Trade, says: "The old traditional brokerage model assumes people are dumb. They get charged a lot of money for the advice and counsel. Our model is: people are inherently smart. We liberate you with information, charge a value-added price, let you become self-directed and have you handle your financial services."

Charles Schwab, through the purchase two years ago of Birmingham-based Sharelink,

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now Charles Schwab Europe, is at present the leading online brokerage in the UK. E-Trade is also aiming at UK investors, having taken control of an online broking business, Electronic Share Information, in June 1998. One unlooked-for outcome of the explosive growth of individual involvement in the stockmarket in the USA is the "day trader" phenomenon. These are the people for whom a long-term investment is one they are still holding when the market closes.

This kind of frenzied market activity helped to propel share prices in the USA to record highs and, in particular, has allowed firms involved with the Internet and the worldwide web that make little or no profit to gain market capitalisations on a par with some of the largest and most profitable companies on the market.

Such activity goes against the accepted wisdom of shares being a long-term investment. Indeed, it is highly unlikely to be the way to long-term financial security, since day traders are solely relying on movement in the capital value of the shares. It takes no account of the income potential of the shares or of the quality of the business. If you plan on building a nest egg for the future, this is not the way to behave.

Don't let taxing choices lead to a bad mistake

BY RACHEL FOXSEN

WHEN YOU have money to invest, there are always plenty of people dying to take a bite out of it. Fund managers make their charges and intermediaries take commission. But the biggest chunk goes into the taxman - unless you can avoid it.

Successive governments have devised a whole host of tax-efficient or tax-exempt ways to invest, from Personal Equity Plans (PEPs) and Tax-Exempt Special Savings Accounts (Tessas) to pensions, National Savings and insurance-linked products. But are they always a good buy simply because they are tax-free?

While a tax-efficient investment will give you a higher net return than the same investment with no tax break, advisers warn against choosing a particular investment product on its tax status alone. "There are circumstances where you'd be wise to go down the tax-exempt route, but not always," says Dawn Slater of independent financial advisers Dawn Slater Associates.

The most important consideration is that the investment is suitable for you and offers the prospect of good returns. For instance, personal pension plans allow you to save for retirement out of your gross income, with the investment growing tax-free, plus the prospect of a tax-free lump sum on retirement. For someone with no access to an occupational pension scheme, personal pensions normally make sense. But if you are not able to tie money up until retirement, then they are not the right choice.

PEPs allow investors to hold share-based investments and some types of bonds without any liability for income tax on the dividends or capital gains tax on the profits.

With PEPs, it is not just the tax-break that boosts returns. Some providers have lower charges on their PEPs than they do on the same investment without the tax-free wrapper.



Tax-free may not be ideal for you

David Moor

This is because of strong competition in the PEP market.

However, it is still vital to choose a PEP provider or fund management group that you judge to have good performance prospects and reasonable charges.

In any case, owning shares

may mean taking on more risk than you feel comfortable with.

A lot of money which would otherwise be saved in a building society account has gone into PEPs, although many savers do not understand the risk of owning shares, says Stephen Dight of IFAs Grosvenor Financial

Services. "You shouldn't necessarily change your investment strategy just to get your tax allowances," he says.

"As long as you wanted to make that investment anyway a PEP could be a good idea," he says. "But a lot of people have taken them out for all the wrong reasons."

Many investments look attractive in their marketing literature because they are tax-free, but they would be very unattractive without that status. Friendly societies offer regular savings plans that give a tax-free return. The plan has to be kept going for 10 years to get the full benefits, and the most you can invest is £25 a month or £270 a year.

"Some of these friendly society savings plans offer poor value, but on the other hand, they're accessible at £10 a month," says Ms Slater. People on lower incomes could not afford the level of monthly contribution demanded by many PEP/ISA providers; friendly society plans plug that gap.

Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EIS) offer tax breaks, although they can be risky. The EIS was intended to help companies to raise small amounts of equity finance.

Investors in an EIS company get 20 per cent income tax relief on their investment, and all the gains on those shares are free of capital gains tax.

Venture Capital Trusts are similar to investment trusts, but mostly invest in unquoted companies or shares listed on the Alternative Investment Market. They are generally less risky than an EIS, says Stephen Dight. "You have to draw the line somewhere. These focus on the tax break and not the investment. You are better off playing safe with your net income than gambling with your gross income and losing the lot," says Mr Dight.

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


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Merger threat is all talk and no trousers

JANE HAS been having problems with her new boss Jonathan. "You know the kind of man," she says, as she gazes mournfully into her vodka. "Too much hair gel, and thinks you're going to take comments such as, 'I like to have a woman in each of my teams as it makes the men behave so much better' as a compliment."

"Well, what do you expect if you work in corporate finance?" I comment, but secretly I'm worried. Jane is the sort of feisty bird who eats patronising twits for breakfast, and could probably fell trees with one well-aimed blow from her razor-sharp tongue.

It's unlike her to be upset by

something so trivial, but she's asked for her usual "v&t" without the "t", so something's bothering her.

She sighs heavily. "There's more," she says. And so there is, unfortunately: a whole lot more. Because Jonathan has taken a shine to Jane - and he's not taking no for an answer.

"I've told him I'm not interested, but he just smiles at me in a really creepy way," Jane says and shudders.

"Honestly, I'll go insane if he makes another comment about how attractive I look today, or how I should wear that shade of lipstick more often."

"And if he pats me on the knee again... Do you think I should complain to someone?"

Always a tricky one, this. If she says something to personnel and they have a word with him, he could make her life a misery. Whistle-blowers get short shrift in pretty much any business, and the City's no exception.

On the other hand, Jonathan's clearly determined to treat my best friend as his next merger and acquisition and, as far as she's concerned, his is a hostile bid.

"Well, I think you have to complain," I say. "You know the score. If you fancy them, it's flirting. If you don't, it's sexual harassment."



THE TRADER

The office pest with the hands-on approach may not be quite what he appears to be

"If he tries to block your career, you've got him over a barrel!" "He'd probably like that," Jane replies and looks faintly sick. "Urgh, what a thought. Then we both stare into our glasses and I wonder why the world of work has to be so complicated and whether I shouldn't have a neat vodka, too."

Suddenly the idea of us both throwing in the towel and opening a flower shop together seems irresistibly attractive, until I remember that that would probably mean the two of us getting up even earlier than we do now.

Luckily, sexual harassment is something I haven't had to deal with, unless you count the ghastly

Neil scheming to get me sacked because I wouldn't go out with him - which, come to think of it, you should.

Still, he never patted my knee and he never made a lunge, except on one occasion after a particularly rowdy business dinner: but luckily he was so drunk by that time he was seeing double and went for the wrong one of me.

So I'm full of sympathy for Jane. The next time I speak to her, though, she's back to her old self and the boss problem is completely cured.

I'm longing to hear what happened to change the situation so, and Jane laughs. "I was having

birthday drinks for Toby in Rupert Street at the weekend: just me and 10 terribly camp gay men. Anyway, who should I spot in a corner but Jonathan - with a tight white T-shirt and his arm draped round a beautiful boy."

"You mean..." I say. "Yes," Jane continues. "All that heavy-handed flirting is a cover up. You know what the City's like. He's terrified someone might find out he's not straight, and ends up overcompensating massively."

There's a relief, I think Jane can relax at work, and the tonic water industry gets a reprieve.

"Oh, and there's one more thing," Jane says. "I got my promotion."

Still no relief on charity tax pain

BY STEPHEN BURGESS

ALMOST 300 members of the Charity Finance Directors' Group met in London last week to discuss the Government's proposals for the future of taxation for the voluntary sector, outlined in the Consultation Document with the Budget.

The reaction was disappointment. While important incentives for giving have been included, the main demand - for a rebate of charities' VAT burden, or at least a high overhead - have been ignored. There is no compensation for the phased loss of Advance Corporation Tax (ACT) relief, in effect a £50m tax on charities' income, introduced this year.

Almost 400 years ago the concept of charity was first enshrined in English law. For 370 years since, Britain could boast 12,000 charities did not pay tax. Then, in 1972, after UK entry to the EEC, the Chancellor, Anthony Barber, introduced value-added tax. Principally a tax on sales, VAT was not meant to affect companies; it was an indirect tax on consumers. But, by their nature, charities are not businesses. They campaign and raise funds and are unable to recover tax on most spending. It was not a great burden when first levied at 5 per cent.

But successive governments saw the virtue of taxing spending rather than income. VAT rose to 17.5 per cent. In 1997 the cost to charities of irrecoverable VAT approached £400m a year.



Anthony Barber introduced value-added tax when Chancellor in 1971; by 1997, irrecoverable VAT was costing charities up to £400m a year

Uniquely, they have been hit twice. As the tax burden shifted to indirect, not only did charities find themselves paying more in VAT, they were unable to reclaim as much income tax paid on covenants and the like.

For every 1p fall in the basic rate of income tax, charities lose about £15m in tax reclaims. As rates dropped from 35 to 23 per cent, the cost to charities climbed by £200m. With the prospect of more falls, income will be hit further.

The tax and VAT implications were lost on donors, perhaps fortunately. A 1994 survey found that 80 per cent of people thought charities did not pay tax and 90 per cent believed they should not.

What was more, as Conservative governments began to withdraw support from the welfare state, charities saw the VAT bill rise even further. Taking over roles played by local authorities, serving money by using volunteers, having to pay VAT and then listening to ministers talk of the tax benefits provided to charity made for all overweighing sense of injustice.

In 1997 New Labour's manifesto for the voluntary sector appeared to embrace the goals of charities and, if it was to help to reduce government spending, volunteering had a vital role.

Weeks after coming to power the Chancellor announced the

removal of ACT relief. It was a revenue-raising measure alongside the windfall tax on utilities and privatised industries, and charities were also hit. The total tax bill on charities was now building towards £1m, 8 per cent of total income. A further was avoided by the negotiation of a seven-year phase-in and promise of a wholesale review. Charities started to feel more optimistic that they were being heard and some compensation for the over-riding tax burden was on the way. Voluntary organisations united in calls for a rebate in the cost of VAT, simplification of the tax rules and more incentives for giving.

Now, a year later, the Consultation Document has been published. Clearly the Government is unable or unwilling to meet calls for a VAT rebate. Concerns about EU law, misuse of charity status and pressure from the small-business lobby about fair trade are too great. This is

not an uncaring government. When Tony Blair talks of a Third Way, a giving generation and helping those who help those who cannot help themselves, it is with conviction. But how is it to be done? Where do charities go from here?

The Consultation Document does include ways to support the sector. Government proposals help with income generation, which could turn the tide on the key issue affecting charities today - the falling number of

donors. While not addressing specific requests, the proposals are valid. A lower tax burden would be a boon today, but the lifeblood of tomorrow's charity is its volunteers and donors. Without them, there will be no money to spend and nobody to do the work. But is the promise of help tomorrow good enough when charities are hurting today?

The proposals to extend Millennium Gift Aid and provide stimuli for payroll giving go further than expected, and there are signs the Government is ready to do more if charities show this would boost support. Both systems offer the chance to engage donors through a simple, tax-effective system of regular giving at affordable cost. With effective marketing, this must help charities to obtain and develop support. But they need some assurance that the tax reclaim will not continue to be eroded as the basic rate of income tax drops. Responses to

the Consultation are due by 31 August, and the Government requests consideration of some 30 points.

While the proposals do not go far enough, by encouraging giving, they offer charities a rod to fish with.

Stephen Burgess is Charities Director at the accountants Saffery Chappin. He serves on the management committee overseeing the new MP Secondment Scheme.

Struggle against fraud

BY ROGER TRAPP

IF THE string of business scandals in recent years has demonstrated one thing it is that fraud is not an isolated incident. It is a constant fact of life.

In recognition of this, the audit faculty of the Institute of Chartered Accountants in England and Wales has produced a video-based training package aimed at raising auditors' awareness of the risks posed by corporate fraud.

Although you might think that the many dramatic collapses since the end of the 1980s would have raised awareness of the problem, Garry Acher, chairman of the institute's audit faculty, said it had been struck by the lack of training to combat fraud in the professional and business sectors.

Part of the problem, he said, was that companies did not like to disclose they had been the victims of fraud. And in Britain there was no culture of whistle-blowing.

The institute is believed to be the only professional body offering training in this area, so the package, which cost £100,000 to develop, should fill a gap. It is a realistic case study of how an audit can go wrong when a fraudster is involved.

Mr Acher pointed out that the increasing complexity of business and the constant pressure to perform make fraud more, rather than less, likely. The Auditor at Risk package is available until 30 April at a discount of £195 for faculty members; £275 non-members.

Nuts and bolts training adds up

BY ROGER TRAPP

WHEN SIMON DAVIES joined the retail group Dixons a few years ago he quickly realised that the level of demand for quality young accountants meant that the company and others like it were going to find it increasingly difficult to do what they had traditionally done - fill their finance positions with part-qualified and newly qualified chartered accountants emerging from firms.

As a result, Mr Davies, the company's planning and analysis director, "started from nowhere, developing a training scheme".

And when the Chartered Institute of Management Accountants (CIMA) came up with its Training Through Partnership (TTP) initiative it seemed like an ideal opportunity, he says.

Among the facets which the scheme provides for companies is benchmarking against other companies' training efforts.

Mr Davies sees this as a "very important" element in helping the company to ensure that it has an excellent training programme.

In turn, that helps the company differentiate itself in the marketplace for good-quality recruits, while the graduates

themselves gain from being on a recognised course. Dixons, which has just become the 1,000th partner in the scheme that started in 1996, has 10 people involved and is expanding that number by five a year.

The success of the scheme comes as the CIMA qualification appears to be increasingly attractive to all sorts of employers, largely because of its practical grounding in the "nuts and bolts" of business.

The institute says one financial director has said the requirement that trainees apply their knowledge in a wider business context was particularly useful, since his company expected trainees to make an impact on the business from the start.

But it is not just companies which are seeing the benefits. Government departments and other public-sector bodies are among those signed up for an initiative that helps employers to regulate the amount of training and proficiency that should have been attained at each stage of the student's development.

The TTP programme achieves this through offering

a highly structured course in four stages, each with four modules - ranging from financial accounting fundamentals to management accounting control systems.

According to Customs & Excise, one of the public sector bodies to have signed up, a key benefit is that the scheme provides "a key professional benchmark" for training accountants.

PricewaterhouseCoopers, the world's largest accounting and general professional services firm, has set about establishing the programme in such places as Poland, Cyprus and Malaysia.

Allan McNab, founder of the firm's training scheme, said CIMA had addressed the concern about the continuing global shortage of world-class financial business managers.

Jake Clark, CIMA's director of member services, says: "What we've developed is a total-quality approach to the needs of students and business to ensure a win-win situation."

Pointing out that it combined flexibility and practicality with a rigorous structure, he adds: "But what makes TTP stand out is that it is an employer-based partnership."

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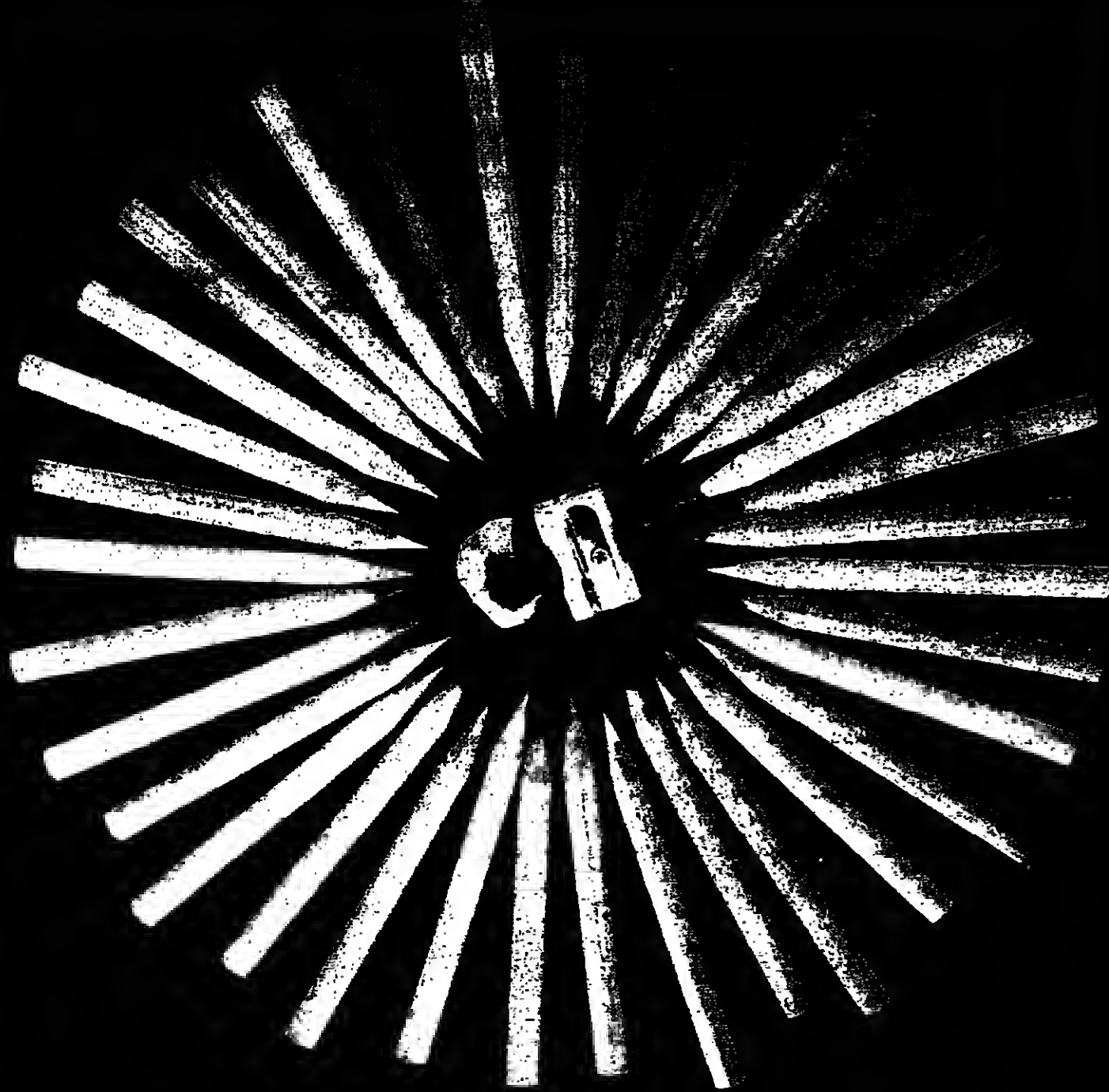
ME AND MY PARTNER

WILLIAM CAREY AND NIGEL LEGGE

William Carey was recruited by Nigel Legge to his sales team 13 years ago. Nine years later, the pair established River and Mercantile Asset Management, specialising in the UK stock market. They now manage £550m on behalf of 7,000 clients



'We wanted to challenge some of the conventional thinking, that you had to be a big company to be in fund management': William Carey (left) and Nigel Legge have headed River and Mercantile since 1995 Tom Craig



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WILLIAM CAREY: In 1986, I wrote to the managing director of Henderson Administration to say I was interested in working in the unit trust industry. I was hauled in front of Nigel, the sales director, who offered to make me part of his team. I had a defined number of clients in a specific part of the country and my job was to make sure they got a good service. Nigel was hugely enthusiastic, very loyal and able to get things done. He's focused, and it was good to hold on to his coat-tails. I was with someone who was definitely going places.

I was out on the road four days a week, with five appointments a day. I explained to clients that I was new to the job, but they could ask me any question and I would get the information for them. I enjoyed the role of selling enormously, but it was a big company and there were a lot of people above me. I was keen to look at other sides of the business, and I was offered another job as an investment manager for an independent financial adviser, the John Lamb Group.

Then Nigel, who had been offered the job of sales director at James Capel, said: "Here's a hell of an opportunity - do you want to come and join me?" That put me in a difficult position because I had made a big decision to join the John Lamb Group. I jumped on my motorcycle and went to see the two owners of the group that evening. They thought I should take it, so I joined Nigel.

When I started at James Capel, our job was to raise money as quickly as possible. We were able to offer clients something different: people liked the idea that we were recommending James Capel products, because the name had a certain pedigree. We started as a small team - just 12 - but as it grew, Nigel became managing director and I was sales director for European business.

We have always worked incredibly closely. During that time, we grew to know each other very well. Then in 1994, I got a call out of the blue, asking whether I would be interested in setting up a unit trust company. I thought there was no point in leaving a big company to join another unless you got equity. But the carrot was there.

I didn't feel I had the confidence to be the lead man, so I spoke to Nigel and we decided this was very much something we would like to do. We realised we would never have tried to set up a company called Legge Carey, but what was presented in this company was a name - River and Mercantile - that had been around for 108 years, with existing funds under management, and we could call the shots. That was very interesting and very exciting.

We wanted to challenge some of the conventional thinking: that you had to be a big company to be in fund management, for example. I think people thought we were mad, but nobody can criticise you for having a go. Soon after we

started trading on 14 July 1995, our parent company sold off the investment trusts to other houses. That changed our perspective on life. We hadn't thought it was a possibility when we joined, but it did make sense because they were complex structures and due to wind up in the year 2000. But we could no longer say we had £400m under management, so that was quite a frightening moment. How were we going to persuade fund managers to join us when there was nothing to run? We were told we had to cut costs by 35 per cent, and we had a pretty open meeting with all the guys who had joined. We said: "We can cut staff, or we could take a pay cut." We didn't lose anyone, but people took that big cut, and I think they knocked down. They were always convinced that we could do something. The most satisfying moment was after about 18 months when we made more money than we spent. That relieved a lot of the pressure about one's responsibility to the people who work here. It would have been difficult for one person to have not gone completely bald during that first period. But we shared it. Nigel

'Many people have trodden on a lot of toes to be successful - but you have to have trust and our style has been built on trust and openness'

is an optimist and very positive. He is good at talking to the press and is passionate about the industry. My role was to look after the people in the business. It's the combination that's so good.

We have been able to achieve things without causing a lot of upset. A lot of people are successful but they haven't half trodden on toes to get there. I would like to think River and Mercantile has a nice, informal but professional environment, and that everyone feels they know us well. You have to be able to trust people, and our whole style has relied on trust and openness. It's useful to have team support, where you are looking out for the others.

NIGEL LEGGE: I was at Henderson when I met William - the interview lasted seven minutes, and although it wasn't long enough to tell if he had the talent, he seemed like a pretty solid, nice guy, and someone I could work with. I enjoyed sales and marketing because there was nothing travelator-like about it - you weren't in the office, thumbing through boxes of cards, but you were entertaining people and communicating - and the people I was working with were like-minded.

What was particularly refreshing was the complete honesty with which we admitted the things we didn't know. William would say: "I don't fully under-

stand investment, but I wouldn't be here trying to encourage you to buy if I didn't have tremendous confidence in the people who are doing it." It was an open, trusting approach to get people to invest with us. We didn't want to hoodwink anybody. If we could build our business round transparency, integrity and honesty, I thought we could achieve something. It was an environment where you could respect and work with each other's strengths and weaknesses, which is why William and I have stuck together for so long. I am much more impatient than he is, but we have learnt to act as a foil to each other.

I left Henderson in 1988 for James Capel. William had left to become an investment manager for private clients - he was slipping over to the other side of the fence, and it was a valuable period for him. Then he and Richard Farquhar, who is now also at River and Mercantile, joined James Capel, and we had a good sales team because we enjoyed each other's company and did business with people who were happy to do business. It was fluid and never felt hierarchical - there was a strong chemistry between us. We experienced huge expansion, and James Capel became part of HSBC. One aspect of William's responsibility was looking after the PEF business, which was complex and highly regulated and therefore needed a safe pair of hands. It also helped that William is a great diplomat.

It just followed on that we would set up together. We would kick around ideas of what we thought we would do, unless it was blindingly obvious - in which case we would just do it. In bigger companies, you have to manage in the way that gives you the best chance of further progress - which is about politics. What's important is delivery. William and I are both quite strong-willed, and we have occasionally disagreed, but it now gets resolved quickly - when one has a firm view on something you can say: "I really don't think you are right on this one."

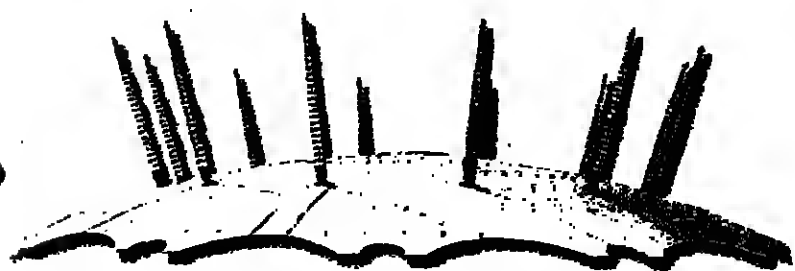
I remember at James Capel people always talking about the future. We had a fantastic role, and I remember saying to William: "We are not going to go anywhere - unless we are given a chance to do our own thing." The opportunity came up soon after, through a contact of William's. The crunch came when it was time to leave: it was very difficult and we had huge trepidation, but there was a certain pull. It was something we had to have a go at. We felt there was a good chance that we might be able to build something. I don't think either of us wanted to get to 60, only to think: "We should have had a crack at it."

William is now the godfather to my one-year-old daughter, which is nice after all the ground we have covered. We now have £550m that we manage for other people, which is considerable growth, and progress beyond all our expectations.

هنا من الأصل

WEDNESDAY REVIEW

COMMENT • FEATURES • ARTS • LISTINGS • TELEVISION



Waste of money



Drug pusher



Sexual deviant



Hamster molester



Bully

So, what's your complaint?

It was Sooty and Sweep's turn to feel the lash of public disapproval this week. The anarchic glove-puppets were criticised by the Independent Television Commission for excessive snuffing on screen - though it was the scent of aromatic grey oils rather than solvent or Bolivian dandruff that dripped up their cute little nostrils. "It sounds silly," an ITC spokesman said defensively, in the wake of what you have seen comment in the media. "But if you had seen them splashing the oils about and sniffing and giggling and falling over... These oils can be dangerous."

Part of the Commission's job is to monitor advertisements and programmes shown on independent television; in this case, they said, it was their duty to protect children from viewing "dangerous behaviour which could be easily imitated". But they didn't themselves upbraid the dusky bears for misbehaving. They were forced to step in after they received 11 complaints from the public (including two worried aromatherapists).

To libertarians this little episode may seem a fine example of what a mollycoddled nation we have become, presided over by an overbearing nanny state. But it raises the question of what exercises the great British public sufficiently these days to lobby the ITC and other advertising and broadcasting regulators.

Sex, for example, no longer winds us up as it once did. Ah, the good old days of the Sixties, when every *Wendell Play* on BBC1 was greeted with waves of moral outrage, every modest sexual overture threw the national Viewers and Listeners' Association into a loop, and every glimpse of nipple in the films of Ken Russell was accompanied by groans that suggested the fabric of British society now resembled the mattress of a Port Said brothel.

People complained about sex in books (*Lady Chatterley, Pornography*), in the theatre (*O Calcutta, Hair!*), in the movies (*Women in Love, Flesh*) and in public life: they complained about the very existence of Mandy Rice-Davies, the shocking bad taste of John Profumo, the naked rear elevations of John Lennon and Yoko Ono.

These days, by contrast, the ITC has had 100 complaints about C4's sexually explicit gay drama, *Queer as Folk*. That there should be complaints is hardly surprising, since the series features women men (including a 15-year-old) on their

knees than the average Muslim prayer-day, but 100 complaints is chicken-feed when compared to the record 1,554 complaints that flooded into the ITC's mailbox in protest at the televising of Martin Scorsese's *Last Temptation of Christ* in 1965. The public merely whimpered at *Queer as Folk*. Ten years ago it would have roared. And significantly, many of the complaints came not from people who object to gay sex on telly but from gays who rejected the portrayal of homosexuals as heartless flesh-bandits.

The old shock-horror response to graphic smut is still vestigially with us, but now complaints tend to occur when the sexual "offensive" pops up in an unexpected place, like the lesbian kiss in *Emerald* (86 complaints at the ITC) and the incest storyline in *Brookside* (54 complaints - though heaven knows who could still be surprised by a *Brookside* story line).

The majority of sex-related complaints these days are very PC. According to the Advertising Standards Authority, the guardian of standards in press and poster advertising, people are in-

BY MARY BRAIDA

creasingly offended by the portrayal of women – and men – as sex objects. A half-naked woman draped over a car used to shock because she was half-naked; then because she was being casually exploited. Now a half-naked male swigging Diet Coke and being ogled by stenographers in horn-rimmed specs is just as likely to upset gender fascists. Violence and bad language in advertisements are less likely to upset us these days, say the ITC, although French Connection's enormous "fuk" hoardings showing a spiky female heel about to penetrate a male bottom represent the edge of the acceptable (and show that complainers about such things have no sense of humour). And when it comes to complaints about taste and decency, animals and religion occupy the high ground of controversy that was once the province of nudity and AIF Garnett.

Take Kevin the hamster, whose "death" in the service of Levi jeans recently prompted 519 complaints to the ITC. In the Levi commercial, Kevin was shown running round his exercise-wheel in rude and happy health. But then the wheel broke, Kevin died of boredom—and at the advert's bleak finale, a dead hamster (thankfully a rodent).

"What it had to do with jeans, I'm not sure," confesses a baffled ITC spokeswoman. "But parents complained that children were upset because they had had hamsters that died, or might die some day. We rarely pull an advert, but the Levi ad was shifted to after 9pm."

The ASAs most complained about advert also involved animals, namely a cow on a poster which reflected, via a thought-bubble, that if becoming a burger was all there was to look forward to it was best to be washed down with Irn Bru. An astonishing 589 people complained about the ruminative bovine. "Some were animal lovers, others vegetarians," recalls an ASA spokesman. "Hindus also complained on the grounds that the cow was sacred." The ASA did not uphold the complaint. They did not think the advert caused widespread offence.

The eating of a human placenta on Hugh Fearnley-Whittingstall's *TV Dinners* programme last year, in which the wall of a human womb was expertly converted into a smooth pâté, was a hor-

derline case for the public-decency watchdogs. You couldn't complain that it was exploiting animals, nor that it was an unwarranted invasion of the human body. It didn't even look particularly gross. The Broadcasting Standards Commission censured the programme saying that, despite warnings, many people had been taken by surprise (perhaps they misread the recipe as potentia), but the BBC found nothing to criticise.

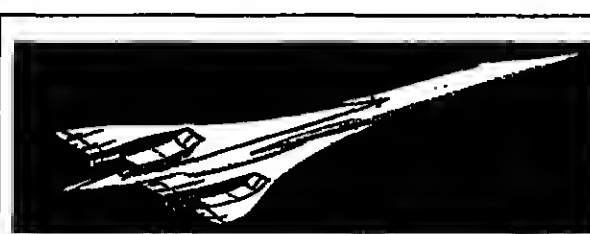
There's a growing tendency for pressure groups to orchestrate their members to complain to the ITC and other bodies en masse, and each time they do, our perception of what exactly concerns "the public" gets distorted. But sometimes you can find unexpected little sensitivities among more predictable issues. Consider the tongue-in-cheek IKEA advert, for instance, in which an employee was made redundant so that his company could buy new furniture. A stream of indignant letters followed. "Complainers did not think that redundancy was a subject for humour," says the woman from the ITC. And the company pulled the advert. At the top of the Commission's complaints chart, alongside Jesus Christ and Kevin the hamster, sits *Against No-*

ture – a controversial appraisal of the environmental lobby shown on C4 last year, (151 complaints) and *Hell's Angel*, an unflattering portrayal of Mother Teresa (134 complaints). In both cases, the complaints exemplified another modern trend: where once we might have been shocked by heresy or have deplored the despoliation of the rainforests, we now complain about unfairness and partiality, lack of balance, under-representation of a point of view, heartlessness. We have become unshockable, to a degree, by scenes of sexual coupling, of violence, of war and assassination, of flayed flesh and the use of the c-word. We may blink at *Sex and the City* or *The Lobes*, but soon accept them as modern comedy or “strong” drama. Instead of complaining about the things that upset our parents’ generation, we are newly attuned to questions of balance, more concerned about the sensitivities of others.

We complain about different things. Finding fault has been a national pastime with the British people for at least a thousand years, since they complained about the unpreparedness of their king, Edward, back in the year 1000. In the Nineties, certain things have achieved an iconic status as Complaint fodder. All taxi drivers and schoolchildren now seem required to disparage the Millennium Dome as a "waste of money". It's not that it looks funny or is difficult to get to; it's that it represents an "unfair" use of taxpayers' money and lottery funds. It's unfair to the poor, the hospitalised, the needy...

Maybe it has become harder to complain. Take restaurants, for instance. Once we objected to a fry in the vichyssoise and expected it to be dealt with unquestioningly. Now, restaurants have raised their game so stratospherically you're more likely to find the proprietor complaining about you - your dull inattention at waiting an hour for the pan-fried John Dory, your failure to appreciate the unearthly lightness of the *oppuccino de moulie*. Try complaining today about finding a hair in the tagine of pork at a fashionable restaurant and they may well say, "It's probably one of yours" and complain about how you've ruined the dish with your galloping alopecia.

Once we could demand to see the manager. Now we watch *restaurateurs* on TV, at a respectful distance, and complain about having to watch Gordon Ramsay chewing the face off his pastry chef. It's just not good enough.



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INSIDE	Letters	2	Fashion	9	Listings	13-14	FASHION
	Leaders & comment	3-5	Arts	10	Radio	15	
	Obituaries	6-7	Theatre	11	Satellite TV	15	
	Features	8	Secretarial	12	Today's TV	16	

School gimmicks

Sir: Mentors and special tuition for 10 per cent of bright pupils. Who dreams up these gimmicks at the Department for Education and Employment? I have just retired after 30 years as teacher and head and the stupidity of this department never ceases to astonish me.

The answer to the problems of difficult schools is smaller teaching groups, which enable the teacher to give more time to the special needs of pupils.

Instead of wasting millions of pounds on "initiative a day" management, just give the money to schools and allow them to employ more teachers (not mentors, whatever they are.)

Many MPs, including Mr Blair, have moved their children to schools with budgets that enable them to operate small teaching groups. Listen to the teachers, Mr Blair, not the civil servants. Classes of thirty are a disgrace and it is about time class size was brought into line with the private sector.

TONY CALLAGHAN

Harpenden, Hertfordshire

Sir: The Government wants A-level students to attend classes for many more hours each week.

At present, most students do part-time work during their free time. They can then save up some money to help them afford to go to university. Finding time to do this will be virtually impossible now.

Guess who forced students into this part-time work, by cutting higher education grants?

WYN DAVIES

Buryport, Dyfed

Sir: Having had two children from my family experience the challenges of comprehensive education I, like Deborah Orr (Comment, 23 March), find the idea of extra tuition for the so-called talented risible. It suggests an uneasy balance between remaining nationally committed to non-selective education while at the same time promoting internal selection procedures which will be identified by staff and children alike as divisive and arbitrary.

When I was a governor of Pimlico school I would never have sanctioned such special treatment. Comprehensive, if they are to work, must create a community of talent in which the less able never feel excluded. Pimlico offered all the support necessary to the bright and determined children but was struggling to cope with the marginal ones who needed focusing. These children could benefit from extra tuition and a whole variety of extra-curricular activities. Sadly, comprehensives, because of their comparatively low-income parents, are rarely able to raise enough money from the PTAs. Hence the private sector wins. That is where the Government should be directing the money.

By endorsing Tory marketing concepts which encourage us all to scrutinise the league tables, the Government has fallen on its face. It is unrealistic to expect that those middle-class parents whose sole concern is their own child's prospects, and who are locked into the relentless scramble for selective secondary school places, will be converted to comprehensive education by this offering.

NICHOLAS PAUL
London SW11

Sir: It takes less than a week in teaching to appreciate that only a minority of children are very intelligent. It is obvious that those who are will best flourish and realise their potential when educated among their peers and that those who teach them should be sympathetic and cultured.

The ethos of the majority of comprehensive schools is anti-elitist and anti-intellectual (a major source of bullying). Discriminating middle-class parents shun them for this reason.

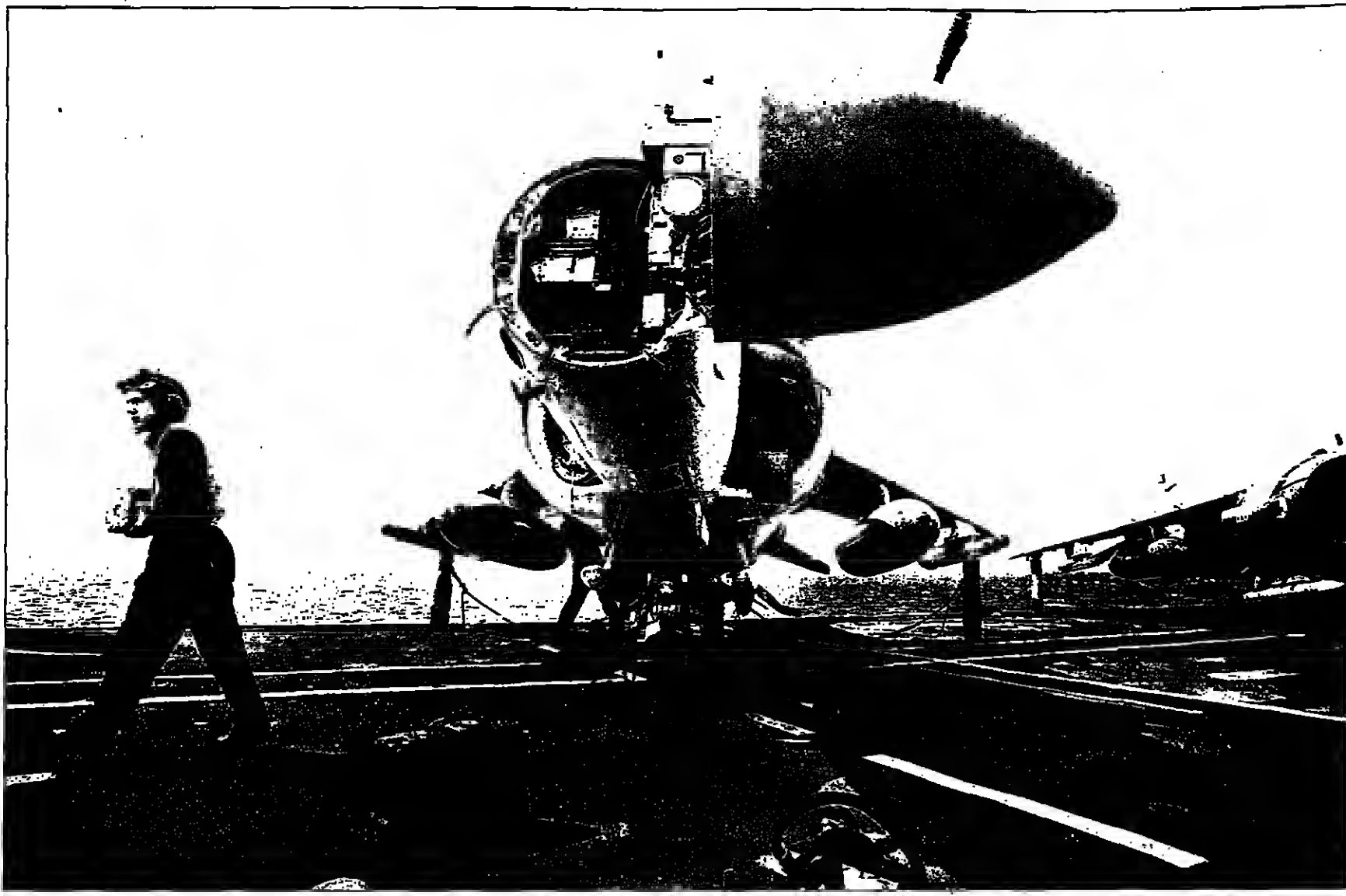
When the Government's proposed experiment in the comprehensives fails, common sense and competition will restore the grammar schools.

P G ADDISON

Ipswich

LETTERS TO THE EDITOR

Post letters to Letters to the Editor, The Independent, 1 Canada Square, London E14 5DL and include a daytime telephone number, fax to 0171 233 2056 or e-mail to letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.



HMS Invincible No 3: Inside the nose cone of a Sea Harrier, open for maintenance, is the British-designed Blue Vixen radar, the new partner to the American AMRAAM (advanced medium range anti-aircraft missile), also known as 'fire and forget'.

Neville Elder

Sir: Ministers claim they are privatising Hackney education authority because they are acting on behalf of Hackney parents and children ("Hackney loses control of its schools", 20 March).

In fact at no time have local people been consulted about this. And privatising the education authority was not part of the local election manifesto or my manifesto at the general election, for the very good reason that this is not Labour Party policy.

There is no evidence that this step will raise standards. What it will do is put tens of thousands of pounds, which should be spent in schools, in the pockets of consultants and contractors. And it will undermine local control.

If ministers really want to raise standards in areas like Hackney they should try giving teachers a decent salary rise. But that would mean taxing Middle England. And the Chancellor has actually cut income tax. So New Labour is prepared to sacrifice the life chances of poor children on the altar of low taxation, and rely instead on gimmicky management changes and consultants.

DIANE ABBOTT MP

(Hackney North and Stoke Newington, Lab)

House of Commons

US trade war

Sir: It beggars belief that the US is invoking free trade agreements in an attempt to force Europe to accept GM animal growth hormones ("US and Europe row over GM milk", 22 March), which are not only unnecessary, but actually harmful to human health.

Free trade is not intended to subvert national health strategies simply to provide US shareholders with a fast buck. Can we now expect Colt to demand greater access to European consumer markets for its precision-engineered weapons?

If so, perhaps the Medellín cartel should call on the American government to allow unrestricted imports of cocaine; at least that is a

product the US public seems to want.

MARK WOODWARD

London, E15

Sir: The biggest threats facing animal welfare today are the free-trade rules of the General Agreement on Tariffs and Trade (GATT), enforced by the World Trade Organisation. Already, two key European Union animal protection measures – the ban on the import of furs from countries using the leghold trap, and the prohibition of the marketing of cosmetics tested on animals – have largely been unravelled as a result of EU fears of WTO "challenges". We are facing the same problem in trying to resist the import of genetically modified foods from the US.

Moreover, the GATT/WTO is making it increasingly difficult for the EU to introduce new animal welfare measures. The WTO allows the EU to ban a cruel rearing system within its own territory, but the inability under the WTO to ban the import of meat or eggs derived from animals reared in that cruel system in practice strongly deters the EU from banning the system within its own jurisdiction. The main reason why the EU is reluctant to ban the battery cage is that under GATT rules it could not ban the import of battery eggs.

The EU must include the animal welfare problem among its negotiating objectives for the WTO

Sir: I was much encouraged by Roger Chapman's suggestion (letter, 22 March) that tax relief for charities was just another way for the rich to transfer the burden of tax to the poor. The thought that the rich are foolish enough to spend £77 just in order to unload £23 in tax must give the poor new hope.

RICHARD STURCH

Ipsich, Oxfordshire

Sir: Washington says it wants to restore Kosovo's autonomy.

Millennium Round, a new round of negotiations starting in 2000, at which there is an opportunity to get new rules agreed.

EVE STEADMAN

Cambridge

Sir: We have already witnessed the threat of unilateral American sanctions as a response to the banana dispute between the European Union and the US. A recent edition of the television documentary on the Cold War provided a chilling reminder of the lengths to which the US will go to counter a threat to its strategic banana interests in Latin America. Economic sanctions, subversion, and if all else fails they send in the Marines. Europe beware.

Dr BRIAN HOUSTON

Harley Winney, Hampshire

Fathers shut out

Sir: That a divorced or separated father should "run around in a BMW and pay nothing towards his child's upkeep" is, as the Social Security Secretary says, intolerable ("Dadling backs prying by CSA", 22 March). A couple of thousand of them are rightly sent to prison each year for such conduct.

However, there is ample research to show that nearly half of all single mothers deliberately obstruct or completely block access to their children by the fathers. It is a rarity for even one of

them to be sent to prison for repeated ignoring of court orders regarding paternal access.

Is this not equally intolerable and what does this government propose to do about it? What price sexual equality?

JOHN C GRIFFITHS

Redbrook, Monmouth

Falklands claims

Sir: We cannot let Ambassador Pirter's justification for Argentina's claim to the Falkland Islands go unanswered (letter, 18 March).

First, it is not surprising, considering the membership of the UN Decolonisation Committee, that Argentina has found some support for its claim there. But in today's world we seriously question the relevance of the Decolonisation Committee. There are few remaining overseas territories, and all the British ones, including the Falkland Islands, have no wish whatsoever to sever the constitutional link with the mother country.

Second, contrary to Mr Pirter's assertion, it was a British seafarer, Captain John Strong, who made the first recorded landing on the Falklands in 1690, and British sovereignty was claimed in 1765, not 1832. Even then, there was no settled population in the Islands.

Third, many of the present inhabitants of the Falkland Islands are the descendants of the first

settlers, sixth- and seventh-generation Islanders whose families have lived here longer than many Argentines, including President Menem's family, have lived in their country.

We just wish that Argentina would stop pursuing a claim which we at least regard as ill-founded and anachronistic. The best way for Argentina to respect our way of life – as Mr Pirter says they wish to do – is let us get on with it free of the threat of colonisation – for that is what it would be – by Argentina.

COUNCILOR JAN CHEEK

Falkland Islands Government

Stanley, Falkland Islands

Plea for design

Sir: I applaud the desire of Marco Goldschmidt, the new president of the Royal Institute of British Architects, to convince us all of the importance of good design ("A fresh facade for British architecture", 22 March). I fear, however, that his words echo those of former presidents over the past decade.

The British public, more than their continental counterparts, are conservative to a degree in their taste for design and architecture. This is largely due to ignorance and the "I know what I like" syndrome. Until we start to teach good contemporary design in schools from an early age this will be an ongoing problem. When I was a member of the RIBA council over 20 years ago my main object was to achieve this goal.

It is no good for the Government to set up advisory bodies unless the public at large understands what good design is all about. I am constantly saddened by the young couple, he with his Lotus car and Gucci shoes, she with her Versace dress, who only want to live in a thatched half-timbered cottage with leaded windows and low beams to bang your head on (provided they have all the latest gadgets inside and a streamlined kitchen).

ROBIN BUTTERELL

Chester

Triumph of tosh

Sir: Howard Jacobson is right (Review, 23 March). *Shakespeare in Love* is tosh, and I loved it. It was such good tosh. Indeed it takes tosh to new heights, something Shakespeare did in his day with *A Midsummer Night's Dream*, for example. Furthermore, it makes Shakespeare accessible to a lot of people who wouldn't otherwise read him. I went to see the film with an Austrian friend who has a degree in English and had always steered clear of Shakespeare. After seeing the film, she went away determined to try reading one of his plays.

As for the Christopher Marlowe joke, this got a real belly laugh in the cinema, something Shakespeare would have been proud to have caused.

Congratulations to all those involved in the film. You deserved your Oscars. Thank God Shakespeare doesn't only belong to the dry and dull purists.

MARY ZACAROLI

Oxford

Sir: The news of the success of British films in the Oscars is most encouraging and the recipients of these awards deserve our warmest congratulations.

That does not mean, however, that we should be complacent about the future of the British film industry. On the contrary, when *Shakespeare in Love* is rewarded by seven Oscars, recognising talents such as those of Tom Stoppard and Dame Judi Dench, it is distressing to note that the film is financed by America (good luck to them for spotting the commercial opportunities) and that the profits will go back to the US.

Until we begin to address the many structural problems which our industry faces – the lack of integration as compared to the US – we will not begin to achieve the consistent level of success which our creative talents are worthy of.

TOM CLARKE MP

(Coatbridge and Chryston, Lab)

House of Commons

The writer was Minister for Film and Tourism, 1997-98

Sir: The British media consistently misinform readers as to the nature of the US "R" (Restricted) movie rating. It is not, as you stated in connection with the film *Eyes Wide Shut* ("Kubrick's final legacy", 12 March), an "adults only" classification, and the "restriction" such as it is, merely requires that persons under the age of 17 (and that can be any age below 17), must be accompanied by a person over the age of 17.

The US "adults only" classification (the equivalent to our "18") is "NC-17", which is awarded to very, very few films indeed, and films so classified may not be seen by persons under the age of 17 whether accompanied or not. No major studio productions ever get classified "NC-17" as it is considered "bad box-office".

People in Britain fail to realise how incredibly mild the US film rating system is compared with here, and American children, if they have a mind to do so, can probably get to see almost all those films which in Britain are passed only for over-18s. That is something to reflect upon.

DAVE GODIN

Sheffield

Steamy

Sir: My Finnish friends must be bemused by the headline "Chief constable: MP was in sauna" (17 March). Sensible fellow, I imagine them thinking. Curiously, there is no mention of a sauna in the article itself, but rather of a "Thai massage parlour".

I don't know what the Thais make of this; but the Finns find it hard to comprehend the sleazy connotations in Britain of their great national institution. And they regard as quite extraordinary the fact that advertisements for domestic saunas invariably depict families prudishly sitting around wearing towels.

NIGEL GREENWOOD

London N22

Persistent rumours of a civilisation beyond Berkshire

YESTERDAY I made the strange claim that interesting things happened outside London which London knew nothing of. I hope nobody took this to be a reference to fox-hunting. Fox-hunting is indeed interesting and rural, but Londoners are very well aware of the fact that it happens. Indeed, some Londoners, impressed by the billions of people who come on Countryside Marches to the capital, may be under the impression that nothing else happens in the countryside except fox-hunting.

Well, I moved from Notting Hill to west Wiltshire 12 years ago and I have seen no fox-hunting yet. Plenty of foxes, but no hunting. What I was thinking of, when I referred to interesting things happening outside the capital, was something like Bath's Natural

Theatre Company: The Naturals, as they are known locally, have developed some highly sophisticated street theatre techniques, for which they have received awards in places as far apart as Japan and South America.

I'm not talking about juggling and fire-eating here. I'm talking about real street theatre, which people in London may not be aware of. I certainly wasn't till I encountered the Naturals.

I once asked one of the stalwarts of the group, Brian Popay, if they took the same acts all over the place.

"Well, there are certain acts which work everywhere," he said. "The nannies are always good, and the pink suitcases and the coneheads tend not to fail." (Don't ask me to explain.)

"But the best thing to do is to devise something peculiarly apt to the particular event we have been invited to adorn. For instance, we were once hired to provide entertainment at the Glastonbury Festival. Now, a rock festival is a place where so many things go on – sex, drugs, mud – that you'd think it would be hard to surprise or shock anyone there. But then it occurred to us that there is always one predictable well-behaved element at a rock festival: the police. So some of us dressed up as members of the police and, well, misbehaved.

"One 'policeman' and 'policewoman', I remember, walked round hand in hand for hours. You should have seen the looks of disbelief of the faces of the bearded music-lovers, especially when the police couple would occasionally disap-

pear behind tents for a quick snog, which tended to freak out the rock fans a bit."



MILES KINGSTON

I moved from Notting Hill to west Wiltshire 12 years ago and I have seen no fox-hunting yet

pear behind tents for a quick snog, which tended to freak out the rock fans a bit."

The Naturals also do wonderful stage shows, with alluring names like *Henry VIII: Diary of a Serial Killer* and have done several hurling shows based on the character of the composer Scarlatti.

Why Scarlatti? Hard to explain. Even harder to explain why these shows are very popular in Germany, where the Naturals often go on tour – they have just come back from doing a season of *Scarlatti's Revenge* (in English) in Hamburg at the little old St Pauli Theatre.

The point of all this is not to puff Bath as a happening place – actually, Bath can be guilty of the most deadening inertia – but to point out that things like a Bath-Hamburg liaison can happen without London being involved or even aware of it.

Another example. Bath has an

annual houlas tournament in Queen Square, and every time I refer to it glowingly in print I tend to get letters saying: "If you think the Bath houlas tournament is great, you should come to the one at Sherston in North Wilts. That's a real houlas event." This was confirmed to me recently by a tall young man from Sherston who works in our local Wiltshire wine shop and who takes the game of pétanque very seriously.

How seriously I didn't realise till last month when he vanished for a fortnight, having gone with his team to take part in the Winter French Pétanque Championships at Millau.

"Got, through to the fourth round," he said, on his return. "That's at least halfway to the final. So we did quite well. Unfor-

tunately, we were beaten by some not terribly good players from Marseille..."

It turns out that he makes these trips across the Channel quite often, dropping into selected pétanque tournaments and doing well enough to come back with a good bit of prize money. If you ask me, I think it's a highly enterprising alternative to fox-hunting, and the interesting thing is that it couldn't happen were there not a well embedded houlas culture in this part of the West Country, with many a piste behind many a pub.

It might make a good story in one of the London papers. And pigs might fly.

Tomorrow: Who should be the next mayor of London? The debate continues to rage in the West Country.

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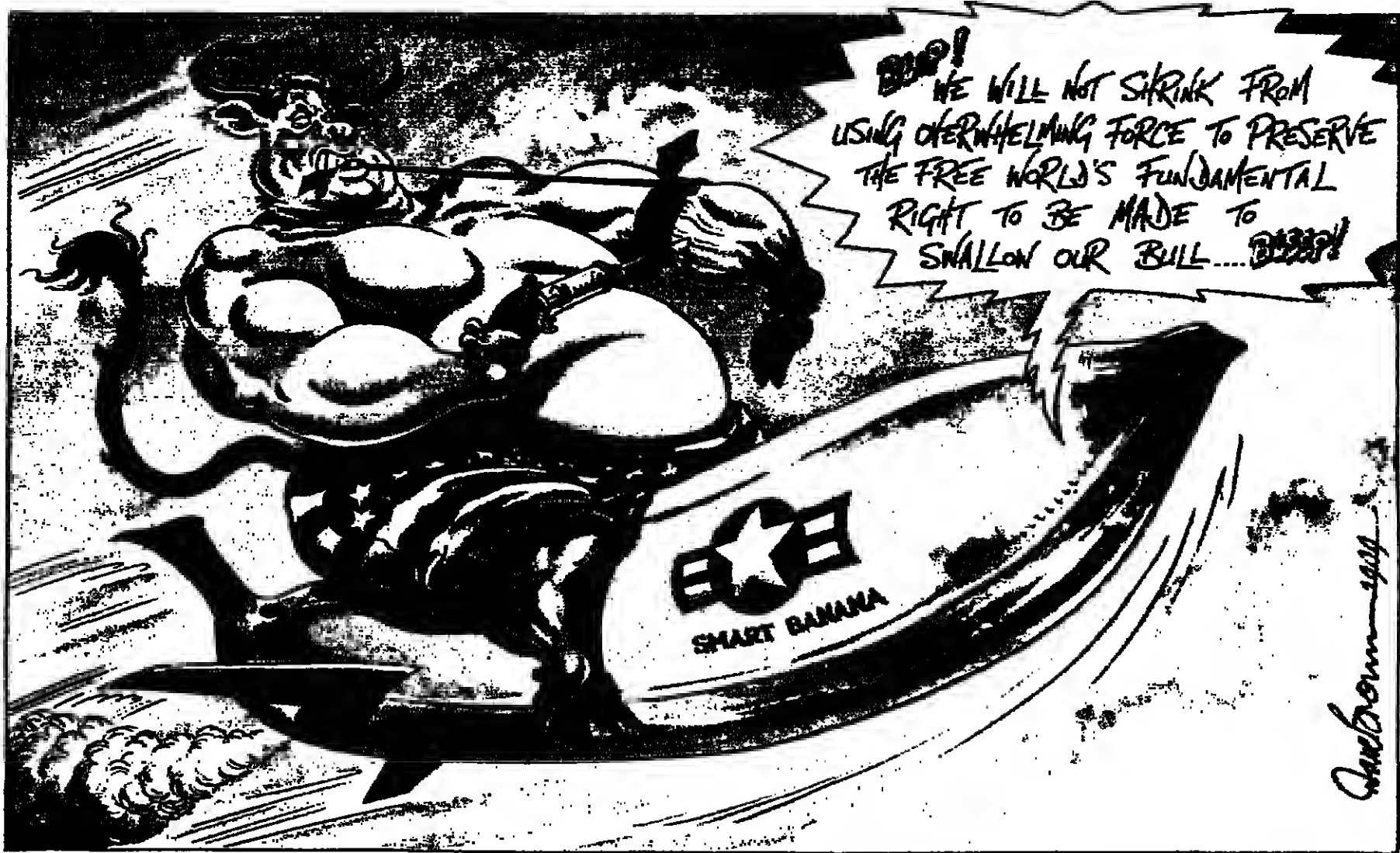
The European public should elect their next President

FOR ALL the Prime Minister's evident enjoyment of throwing himself into the European fray, he looks like a good horse-trader rather than a visionary. He is doing an effective job of putting himself in the middle of the action, using all the skills of media management that have served him so well in Britain. Taking full advantage of the Kohl-shaped hole in the heart of Europe, and the relative weakness of the new German government, Tony Blair has used his energy and freshness to take up a lot of space. Of all the European Union leaders, he gets the most media coverage in other countries.

His real leverage, however, is limited. Although he was quick to call for Jacques Santer to go the moment the report detailing corruption, nepotism and incompetence was published, he was careful not to be too specific in the reforms he demanded. He did insist that "we cannot have the next president appointed in the same way as the last". It sounded like a rallying call to end the system of horse-trading between the leaders of member states. But all he meant was that he and his fellow leaders should appoint the new president of the European Commission "on merit" and not, as Mr Santer was, as the candidate who caused least offence.

Mr Blair was pretty fast on to the Romano Prodi bandwagon, too - fast enough to make it look as if he had got the former Italian prime minister's wheels rolling in the first place, whereas in fact he might have preferred Wim Kok, the Dutch Prime Minister. Mr Prodi is a strong candidate, a leftist technocrat and "third way" reformer like Mr Blair. But the president of the European Commission should not be appointed by the same process as before. The Brussels bureaucracy needs an injection of direct democratic accountability, and the best place to start would be the top. At the very least, the European Parliament should hold US Congressional-style hearings to approve the appointment, as Mr Blair proposed when in opposition. Now he will not even go that far, and yet he should be going much further. Why not have a European-wide election for the Commission president, at the same time as the European Parliament elections this summer?

Why not? We know why Mr Blair and his partners meeting in Berlin this week do not want it: the danger of increasing the democratic legitimacy of the Commission is that it makes it more powerful - a dilemma known as the Skinner Paradox, after the Eurosceptic Labour MP for Bolton. To be sure, this raises all sorts of further questions about the constitution of Europe, to what extent it should follow the US model, the Westminster one or models yet undreamt of. But these are precisely the questions that should be debated in Berlin. This was supposed to be the summit that made the definitive preparations for the



This war, at least, is silly and unnecessary

expansion of the EU, to include Poland, the Czech Republic and the others camping on the steps.

The clear-out of the Commission offers a wonderful chance to rewrite the EU's constitution to make that expansion workable, and more democratic than the existing Union. Mr Blair told the Commons last week, "I am hesitant about trying to draw up a new constitution for the whole of Europe." But this is a question of leadership, and if the inert, paper-shuffling culture of Brussels cannot be bust open by a crisis like this, then its dead hand will continue to hold back the European ideal.

Mr Blair is up to his usual game of sounding radical in order to try to shift the boundaries of the possible, and certainly there is nothing to be gained by floating crackpot schemes that will only offend our European partners. But a vision of a wider Europe on the Blairite model of a stronger, democratically accountable centre accompanied by the real devolution of power would give the horse-trading in Berlin some sense of purpose.

WAR HAS always been a confusing affair, and trade wars are even more baffling. Precisely why the United States and Europe are about to fight a war in which Terry's Chocolate Oranges, Roquefort cheeses and cashmere sweaters are to serve as ammunition cannot be immediately apparent to the average consumer of these products on either side of the Atlantic. But, as with a real war, it is important to understand what this conflict is all about. It is, in truth, about an important principle, one that is worth fighting for.

The Americans want to sell us beef. Some of the beef has been raised using a bovine growth hormone. The Americans insist that it is perfectly safe. The British Government agrees with them. But the European Union doesn't, and has banned it. The body responsible for sorting out

spats like this, the World Trade Organisation, has ruled in favour of the US, and said that the embargo should be lifted by 13 May.

While the EU waits for the results of its tests on the safety of the hormone, it wants a label clearly stating that the beef has been reared using it. The US will only order a label saying the meat has been approved by the US Department of Agriculture.

This seems an extraordinarily narrow territory for dispute. But the EU is right to be digging in. The ban should be lifted, but only if Europe's shoppers are told precisely what it is that they are being offered. The wording of the label is thus important. We are entitled to be given information about whether a product has been irradiated, injected with growth hormones or had its genes manipulated. Clear and comprehensive labelling is also the best way to ensure that the food industry avoids the devastating blights that arise when the fragile trust between farmer and shopper is broken.

Kosovo is part of Europe - that is why we must fight to save it

SLOBODAN MILOSEVIC has turned into a great dictator with all the trademarks of one: madness, cruelty and longevity. He began his rise to power by exploiting Serbia's sentiments about the sanctity of Kosovo and made a stepping-stone of personal ambition and dreams of territorial aggrandisement. When he ended Kosovo's autonomy in 1989, the Soviet Union was still in existence and the shrill ravings of a Yugoslav nationalist seemed to all but the most prescient an insubstantial threat.

Even when the violence began in earnest in Croatia in 1991, there was something faintly absurd about Serbia's leader. Early that year I attended a dinner in Belgrade given by the government. Mr Milosevic looked and talked like a copy-book Eastern European Marxist-Leninist lecturer - socially insecure, ham-fisted but stubbornly bullish about his beliefs under pressure. When he tired of too much pre-prandial questioning about his intentions, he announced sharply: "Let's attack the soup." I remember that this hawkishness, applied to the dinner, seemed rather comical. Not so funny now, after Vukovar, Srebrenica and Rakac.

Milosevic has outlasted Mikhail Gorbachev, George Bush, Margaret Thatcher, Helmut Kohl and John Major. The end game falls to Clinton and Blair. When people complain that the aim of the NATO mission against Serbia is unclear, they are wrong. There is one clear goal, without which peace is impossible: to create a situation in which Milosevic falls from power and the distorted, rapacious



ANNE MCELVOY
Being a European means sharing some basic values and duties of care for each other

of a bombing campaign, we will have to commit troops onto this territory against the will of Milosevic - indeed this is the outcome he dreads, because it guarantees his disgrace and downfall. But its political and human cost would be high.

Among William Hague's warm waffle of support yesterday was a nasty opportunistic bit in which he said that the Opposition will support the use of ground troops not to fight for the peace, but only to uphold a diplomatically agreed peace. This opens up a chink between government and opposition at a time when custom and decency dictate that they should hold together.

Mr Hague knows full well that air power alone may not be enough. The brutal truth is that without the option of committing ground troops, NATO

may well not be able to forge peace in Kosovo.

But it is the Prime Minister who will take the strain and he needs to prepare his rhetorical as well as his political battle. At such times, even a nation cynical about politicians listens closely to what its leader says. Given his strong commitment to European institutions, Mr Blair was a surprisingly reluctant European when it came to laying out the single binding reason why we are obliged to take in the risks of a long conflict in Kosovo: it is a part of Europe. The alternative to Western intervention is to accept that the Western ideals of basic human rights and freedom from persecution by the state do not apply to Yugoslavia. I do not believe that Europe should tolerate such ethical exclusion zones.

A favourite argument of opponents of bombing is that since the West is neither able nor willing to use force to tackle injustice everywhere in the world, it should not do so in Yugoslavia. But Europe is the point: the Continent's future is our future. If we are not to fight a brutal aggressor after a delay similar to that which allowed the carnage of Bosnia, where would we fight?

One of the baleful consequences of the dominance of the single currency in Western Europe's priorities has been the downgrading of a wider sense of what it means to be a European, as bestowing some basic values and duties of care for one another. Into this vacuum floods the kind of petty selfishness manifested by the renowned Second World War historian

Correlli Barnett in a baffling and perverse newspaper article in which he compared the prospect of Nato ground troops in Kosovo with an "army of occupation". Technically, this may be a correct description. But Kosovo is not the Sudan.

The overwhelmingly Albanian population sees Nato as a redeemer, not an invader. Barnett then worries about the risk of Kosovo distracting our armed forces from some other pressing threat to British interests. But what interest can be more pressing than peace in Europe? Much of the global-reach doctrine of our armed forces has outlived its usefulness. Forging and maintaining the peace in Europe and on its borders will be task enough for the next century.

There is no such thing as a "far off corner of the Balkans" in Europe that has a new Nato member in Hungary, bordering on Serbia and in which refugees spill across open borders. The Iron Curtain is no longer there to shield us from unpleasantness.

Barnett and the rest of the new British isolationists might like to cut Britain off from the security interests of Europe. But it is neither possible nor desirable to do so. Nonetheless, a creeping "I'm all right Jack-ism" is shared by the sections of the left and right. They are intent on forming a coalition of apathy and will fight for nothing and no one beyond their own garden fence. It is to these latter-day appeasers that the Prime Minister needs to address himself more forcefully if he is to become a great statesman, as well as great politician.

QUOTE OF THE DAY
"We have no alternative but to act and act we will, unless Milosevic even now chooses the path of peace."
Tony Blair
Prime Minister

THOUGHT FOR THE DAY
"The highest possible stage in moral culture is when we recognise that we ought to control our moral thoughts"
Charles Darwin
British scientist

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LAST MARCH, the epic *Titanic* crushed its competition at the Academy Awards. This year, the biggest winner was *Shakespeare in Love*, a modest-budget romantic comedy set in Elizabethan England. Stripped to their essence, both films relied on a story as tried and true as *Romeo and Juliet*: an ultimately tear-eyed tale of star-crossed paramours. Even though neither story ends happily, their love seems undying in the hearts of viewers, good

old-fashioned romance conquers all. *Titanic* may have been a much bigger hit at the box office, but *Shakespeare in Love* shows that a splendid script is the most special effect of all.

Bergen Record

IN A field that included two movies set in World War II, Benigni's tragic-comedy, and two movies set in the Elizabethan era, a movie about Shakespeare walked away with best

MONITOR

ALL THE NEWS OF THE WORLD
The American press considers the 1999 Academy Awards ceremony

picture. If the Bard had been on hand, he might have wondered how a movie heavily laced with his own words didn't also earn him a best writing award.

Corpus Christi Caller Times

SUCH AWARDS are meaningless in the large scale of events that shape our world.

One would be hard-pressed to name three of the last five "best picture" winners. Yet the

slight of *Saving Private Ryan* was disappointing.

The Oscars proved true the words of Edward Bulwer-Lytton, a British author and contemporary of Charles Dickens: "The pen is mightier than the sword." Or at least the pen of a make-believe Shakespeare is mightier than the make-believe artillery, but true heroism, of *Private Ryan*.

The Freelance Star

THE SURPRISE was that

rkshire

PANDORA

PETE TOWNSHEND is to snuff London's West End and open his new musical *Psychodetrit* on Broadway next year. The long-awaited successor to *Tommy* and *Quadrophenia* is about a middle-aged rock star who emerges from self-imposed exile only to step straight into a media scandal. Pete Townshend, on his lonesome, ownsome to polish his autobiography, recently confessed to lustful feelings for one M Jagger. Suspicious minds in Theatreland suggesting that *Psychodetrit* is in any way autobiographical should be thoroughly ashamed of themselves.

THE AGEING British Fascist John Tyndall is promoting media friendliness among Britain's lunatic fringe. A four-person team filming *The Lost Race*, a documentary about the far right to be screened on BBC2 tonight at 9.40pm, was finally granted access to Tyndall's lovely terraced home somewhere on the Sussex coast. But before giving admittance, the 65-year-old physical fitness nut insisted that the producer, Ben Lewis, who is Jewish, sign an agreement to prohibit filming inside, or indeed the crew entering the property's lavatories – something nasty in the bathroom cabinet? When quizzed about this by Lewis, Tyndall advised the crew to empty both bowels and bladder in advance. How prudent.

POPE HAVE been chosen and baby whales gestated with less fuss than that surrounding the selection of our next Poet Laureate. The front-runner Andrew Motion has been looking good for landing the literary double of both winning the laureateship and writing the biography of the former incumbent Ted Hughes. But while he's still short-priced for the Butt of Sack, the Hughes's biography may be slipping from Motion's grasp. Last November the literary renaissance man published a valedictory poem "In memory of Ted Hughes". It described the final meeting between Hughes, Motion and their wives in a pub garden, and was widely viewed as Motion's master-move to seal both deals. But it seems that the Hughes estate is now seeking alternative arrangements; the word is that the poet's widow, Carol, didn't like Motion's verse one bit. Or perhaps she was offended that she was omitted from

the watercolour that accompanied it?

NORTH LONDON Conservatives have combined a moral message with a dash of tanga Eurocepticism in a flyer circulating in Hampstead. Councillors Andrew Mennear and Martin Davies vow to keep a vigilant watch on an application for table-dancing at Secrets, a local night-club. "There must be no street-visible advertising of semi-naked girls. This is Hampstead, not Hamburg."

POOR LORD Hollick. After curly knocking back a cash offer for *The Star* from an Anglo-Irish syndicate last year, he ordered minions to expedite a share swap with Chris Evans's *Ginger Group* to unload the underclass tabloid. But the deal fell out of bed, leaving Hollick in the embarrassing position of having his red-top stepchild (*The Star*) financially supporting his ailing *Express* titles. Prisoners of the Grey Lubanka, less than thrilled by *The Express's* disaster-prone advertising campaigns, have taken to pre-emptive strikes on the latest, which features the absurdly optimistic tag line "Full Speed Ahead". "Yeah," one hack said, "On the road to nowhere."

THE SUCCESS of Shakespeare in *Furms* is forcing some out-of-the-box questions among West Coast types. Heard poolside in Palm Springs this week: "But how do we make iambic pentameters appeal to the hip-hop demographic?"

THE FRIENDSHIP between Blur's Damon Albarn (pictured) and the Kinks' Ray Davies has fuelled hype that the duo are to collaborate on a musical. No so, says a mouthpiece. Sure, they're buddies, and yes, they have discussed doing a musical together. But for now, Davies's dance-card is full with his storytelling act and work on his own show, provisionally entitled *Come Dancing*. But when that's done, and All-Bran has finished promotional chores on Blur's new album, yes, the pair may well be singing off the same song-sheet.

THE UNEXPURGATED version of Alan Clark's diaries are to be published later this year. What could he have left out last time?

Contact Pandora by e-mail: pandora@independent.co.uk

The defeat of General Wonderful



HUGH O'SHAUGHNESSY
He has been confined to a barely furnished house with chat-show hosts and disc jockeys for neighbours

Garzón's avenging wind from Spain. His crimes have been rehearsed to the enlightenment of those who were too young to remember the putsch a quarter of a century ago. Many more people than before now know how his torturers used dogs and mice to violate the women prisoners he was responsible for arresting. The details of the huge fortune his family has accumulated

from the privatisations and arms deals his regime carried out have been picked over and publicised.

But, most intimately, he has been knocked off a personal pedestal on to which he will never be able to scramble back, however many supporters are pressed to fete him at the airport if he eventually returns to Santiago.

When he was still commander-in-chief of the Chilean army less than a year ago you could watch him glorying at being on parade. As one who wore one for a short time many years ago, I could empathise with his enjoyment of an army officer's uniform. His was splendid, a cape with red gorgets at the throat picked out with gold braid.

But the image of General Wonderful in his cape has been superseded by the picture of him squashed between two policemen in the back of a none too spacious saloon car being rushed along the M25 to an encounter with the beaks at Belmarsh magistrates' court, somewhere in the wilderness of East London's Erith marshes.

The recent high jinks in London led me to recall a similar humilia-

tion he suffered in 1980 when President Marcos and his wife, Imelda, carried out the only act of public service they ever could be proud of. They cancelled Pinochet's visit to the Philippines when his plane had already taken off across the South Pacific from Santiago and was within hours of landing in Manila.

With little left left Pinochet landed in Fiji where he suffered further indignities. Ratu Sir Kamisese Mara, the gallant Fijian premier, cancelled his meeting with the dictator, which he had not wanted anyway. And not only were there great difficulties in getting the aircraft refuelled, even on payment of a hefty premium, there was no little delay even in getting a gangway to the plane. So the captain found himself in the position of having to shut down the air-conditioning in order to save aviation spirit, thereby gently broiling Pinochet and his fellow travellers. After the gangway at last arrived, everyone's luggage was minutely checked by Fijian customs, who conveniently forgot the English they had learned as former subjects of the British Empire and who insisted on

reverting to their own exotic South Pacific tongue. To crown it all, on the way to his hotel at one o'clock in the morning Pinochet's car was pelted with eggs and tomatoes by well prepared Fijian demonstrators.

Sadly the world's press and camera crews were not there in force to give the events the coverage they deserved. They have made up for it in recent months in London, this time the dictator's humiliation has been broadcast worldwide.

The effect has been notable. In São Paulo the other day a Brazilian senator remarked to me that, through its treatment of Pinochet, the House of Lords had earned respect around the world. In the streets of Asunción, the capital of Paraguay, the case of Pinochet in London has prompted calls for the old dictator General Stroessner to be brought back from exile in Brazil to stand trial.

The detention of Pinochet has had exemplary results already. I would like to see him in court again in Madrid. But objectively speaking it doesn't matter. The Spanish judge's action has already had its effect. *Viva Garzón!*

The hypocrisy at the heart of America's banana war



KEN LIVINGSTONE
World trade has always been managed by the biggest, most powerful bullies on the block

summit to another, has no logic. No nation in the world has ever risen to become an economic success story by following the strictures of the IMF or the World Bank in favour of so-called free trade.

The oldest capitalist nations, such as Britain and the US, refused to accept the principles of free trade as they built themselves up into economic giants.

Britain's rise to global economic power came about because we were the first nation in history to invest 5 per cent of our GDP per annum. The new industries created by this investment were protected and cosseted by being given preferential access to the British Empire, which in its heyday comprised one-third of the world's population.

Throughout the 19th century American governments constantly complained about the exclusion of their corporations from being able to compete on equal terms in the British Empire. It was not until the Second World War, when Britain was finally on its knees, that America was able to wrest major concessions

from Churchill's government. During this era, British politicians demanded that the world adhere to the principles of free trade while excluding our rivals from the third of the world that we still managed to control. While denouncing the British, America erected massive tariff barriers.

The hypocrisy of both Britain and the US continues. At each new round of Gatt negotiations to reduce tariffs, Britain and the US have demanded that their high-quality finished goods have free access to markets around the world while erecting effective trade barriers to prevent Third World nations from selling their much more cheaply produced food here and in the US.

The simple fact is that American, Japanese and European agriculture are isolated from global competition while Third World nations that dare to try to protect their embryonic manufacturing industries suffer sanctions and financial penalties. Japanese households could purchase their rice for one-tenth of the price they would currently have to pay if the rice producers of South East Asia were allowed the right of free trade.

The billions of pounds, dollars and yen spent protecting our farmers from free trade could be used to create new high-skilled employment, or even be spent restoring our countryside to health by removing the all-pervasive deposits of pesticides and fertilisers that have poisoned our soil and water.

Over the past two centuries, the nations that have been able to break through Britain and America's rigging of international markets in order to catch up, all have one thing in common. Germany, Japan, South Korea, Taiwan and now China have all made huge strides to close the gap between themselves and the



A trade war could tip the Caribbean into drug dependency

English-speaking world, but only by protecting their domestic markets from the impact of free trade. It was only when those domestic industries were strong enough to withstand international competition that these nations then lowered their barriers.

The one country that has followed the IMF and World Bank strictures about opening its markets to free trade is the country that has done most spectacularly badly.

Russia's industries, which were weak when Yeltsin came to power, have almost without exception been eliminated by a flood of sophisticated Western goods.

By contrast, Communist China maintains a whole range of regulations, and has state intervention and a vast public sector. It has also seen its economy grow more rapidly in the past 20 years than any other country in history.

On current trends it should become the largest economy in the world within 10 to 20 years. Suggest free trade to a Chinese leader, and he will laugh in your face.

The reasons behind the banana dispute are simple. Although the US, of course, does not produce any bananas of its own, Carl Lindenberg, the boss of Chiquita (formerly the United Fruit Corporation), was one of the largest donors to Mr Clinton's re-election campaign.

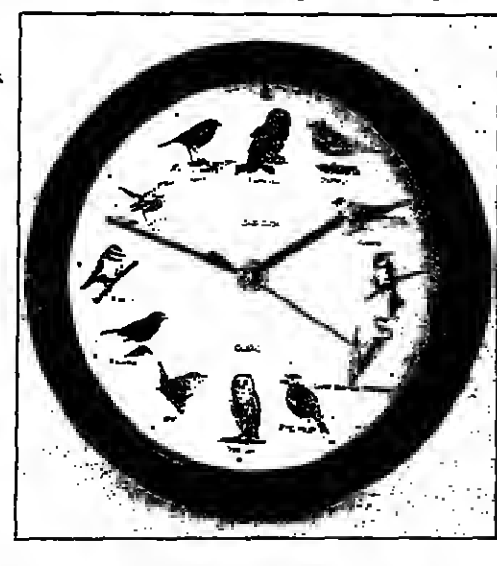
Now he is calling in his favours. Mr Clinton is prepared to risk a global trade war rather than defend his monopoly backers, even though he knows that if the US gets its way the Caribbean states, who are his target, will be tipped into an almost permanent recession in which drug production may well replace the banana trade.

In a world in which three global corporations control 80 per cent of trade in bananas, three control 83 per cent of cocoa, five control 77 per cent of cereals and 10 control 94 per cent of the market in agro-chemicals, the idea of Adam Smith's invisible hand of the market is a joke. World trade has always been managed, and usually by the biggest and most powerful bullies on the block. They know what they can get out of a special relationship.

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Beware the educational Luddite

I LIKE others, believe that one of the values of literature is to do with democracy.

It has a role in the creation of what my Scottish teachers called "the democratic intellect", which is the development of critical faculties. It helps us to understand the power of language. As Graham Martin of the Open University says: "Literature leads people to have more self-confidence, more understanding of moral and other experience."

However, most adults receive no further learning opportunities after completing their initial education; over half our young people come out of school and start adult life in need of compensatory education. When I was receiving evidence in 1997 for the Learning Works report, I travelled around the country to the real unemployment black spots, where whole swaths of the community have been laid waste.

What became clear to me was that the trick is to bring learning to the learners. Adult learners often prefer to learn alongside their peers and women returners blossom in

courses specifically designed for them.

But the learning should not be confined to computer skills and "training" for employment. Likewise, in schools, squeezed curricula leave little room for library-touring or trips out to the theatre. And why should teachers be prepared to do extra-curricular when they are so undermined by the Chief Inspector, an educational Luddite who seems intent on smashing the very machinery which will deliver progress and who treats his role as if he were inspecting taxes rather than the creative process of teaching?

Frequently people explain to me the terror they have of setting foot inside institutions. Therefore, the invitation has to be very clever if it is to overcome that terror. Our inventiveness should see no limits in creating all kinds of community learning centres. It should be one of our aims that all the large corporations and public-sector employers are equipped with learning resource centres, part of the new University for Industry.

In a Knowles housing estate in Merseyside, I saw Portakabins in playgrounds being



PODIUM

HELENA KENNEDY
From the Orange Prize for Fiction lecture by the Chair of the British Council at the London Festival of Literature

used as family rooms for basic skills classes. Parents coming along because they wanted to know how to help their own children with reading grew in confidence, felt more comfortable in the school precincts.

The local library has all the potential of being at the hub of a lifelong learning project – if it is to be more than rhetoric. I cannot believe that we are seeing the closure of so many libraries. In my own London

borough of Camden the struggle against cuts continues. The local library is the ordinary working-class person's lifeline. The notion that books are now cheap and there are bookshops on every corner and, therefore, libraries have lost their role, is a fallacy. A decent paperback costs over £5, which is a lot of money to the young or the less well-off.

The issues of access to literature and public libraries are inseparable. Local authorities maintain they only close libraries which are underused. Yet it may be that the library is not working hard enough to overcome the barriers which hold back large numbers of the least privileged members of society.

Creative librarians find so many ways to draw people in, holding special events around children or special days like Mother's Day and Valentine's Day and inviting along writers.

I have often thought libraries should be used more for public and balloon debates. They should invite popular figures to talk about books they like – I bet you Ginger Spice has a thing or two to say about the ones she has enjoyed.

Many have been arguing that the libraries should be extended to include computer use because there is such a serious risk that in the brave new world of technology we are going to create techno-rich kids and techno-poor. The closing of libraries in the midst of talk about social exclusion suggests that all the claims about joined up government have a long way to go.

We have wonderful projects taking place. There is the Writers in Prison scheme. There are now 100 literature development workers around the country; there are writers in residence and there are writers in schools.

I do have a sense of alarm about huge publishing conglomerates controlling everything, an unease about the relegating of the book to a commodity in an increasingly bland airport market, but when I return to the earth I have no doubts that literature will survive. People will always feel the desire to write with truth and imagination, and others the desire to read their creations. The challenge is to widen the net of readership.

Trials

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WEDNESDAY CASTLE TOWER

THE INDEPENDENT NEWSPAPERS (UK) LTD. Reg. Office: 1 Canada Square, Canary Wharf, London E14 4DL.

Harry Callahan

IN 1961, Harry Callahan showed his photographs in a one-man exhibition at the Art Institute of Chicago. At 38, he was head of photography at the institute, and was just beginning his lengthy career as an art photographer and teacher, a career which would change the face of American photography. Alongside Minor White and Aaron Siskind, he established a *gravitas* around photography which secured it as an art form in the United States.

Unlike the British photographers who struggled in the post-war years to elevate photography from its lowly position in the museum world, Callahan and his photographic colleagues had no ideological or institutional battles to fight. The photography department at the prestigious Museum of Modern Art (MOMA) in New York had been established in the late 1930s, and under successive curators had proved to be a vital outlet for the new photography. Callahan's first exhibition at MOMA was staged in 1960, positioning him as one of the foremost photographic innovators in the US, and assuring him of a large and influential audience for his work.

But Callahan, like so many of his contemporaries in photography, did not emerge from America's elite. Born in Detroit in 1912 into a farming family, Callahan studied engineering at Michigan State University but soon became disenchanted with his subject. He took an administrative job at Chrysler Motors in Detroit, but his burgeoning interest in photography increased, and in 1941, he signed on for a workshop with the master landscape photographer Ansel Adams.

For Callahan, this was the turning point. Ansel Adams used photography not to record or to document, but to express an intense spirituality, a deep communion with the natural world. For the 29-year-old clerk from Chrysler, Adams's workshop was a revelation. Abandoning his Rolleiflex camera, Callahan began to use a large format view camera, which by its depth of detail and definition, took photography back to its early 19th-century roots and demanded precision, concentration and a pre-formed idea of what the photograph would be.

Another revelation came in 1936, when Callahan met and married Eleanor Knapp. What began as a blind date became one of the most important partnerships in photographic history. Eleanor became Callahan's model, and he photographed her throughout the long years of their marriage. The studies which he made, often nude portraits, were both immensely tender and deeply realistic, nothing was altered, no blemish removed by the retoucher's knife. And though Callahan was a formalist, preoccupied with light and structure within his photographs, these images can also

'Photography is an adventure just as life is an adventure. A photographer must understand his relationship to life'

be read as a portrait of a marriage, two young people meeting each other's gaze through the camera's lens, exulting in the eroticism of their partnership.

By the mid-Fifties, Callahan's reputation as a photographer and teacher was assured. In 1957, he showed with Aaron Siskind at the Centre Culturel Américain in Paris, and it was this joint exhibition which exposed his work to British audiences, as the show toured to Algiers and London. Another major Fifties show was a group exhibition with Minor White and Walter Rosenblum, held at the Museum of Art at Cornell University, but not until 1962 did Callahan achieve real recognition in the world of American photography, with a 1962 exhibition with the pioneering documentarist Robert Frank at the Museum of Modern Art in New York.



Eleanor, Chicago: photograph of his wife by Callahan, 1949

The 1960s were heady days in American photography. New on the scene were iconoclasts like Diane Arbus and Gary Winogrand, whose incisive photographs of Americans at home showed a society dysfunctional and in distress. Callahan's view of modern life was altogether more gentle and confident, as he continued to portray the idyll of his relationship with Eleanor. "Photography is an adventure just as life is an adventure," Callahan once remarked. "If man wishes to express himself photographically, he must understand, surely to a certain extent, his relationship to life." Callahan's relationship to life, if his photographs can be taken as evidence, was one of calm and diligence, as he pursued both the photographic idea and the domestic Utopia.

Like many master photographers of his time, Callahan was a devoted

and inspired teacher. From the Institute of Design in Chicago (where he worked with Aaron Siskind) he went on to teach for many years at the Rhode Island School of Design in Providence. He taught his students (who included future luminaries such as Linda Connor, Emmett Gowin and Kenneth Josephson) that the fine print dignified the photographer's vision. A craftsman as much as an artist, Callahan revered the process of photography and photographic printing, providing a standard for American black-and-white work which continues to this day.

Callahan's photographs were last seen in London in 1985 in a perhaps mistimed exhibition, "American Images", at the Barbican Art Gallery. Reactions to the exhibition ranged from mixed to hostile. The deeply

White et al perhaps seemed an anachronism as Britain sped headlong through the Thatcher years. What seemed to be an untenably male and somewhat mystical view of the world was at odds with the drive to democratise photography to use bright colour and to document the banal and the everyday. Callahan's photography was seen as privileged, academic and over-concerned with craftsmanship.

Over a decade later, it may be time to look again, to take a different reading of this remarkable body of work, to reflect on its resonance and its place in photographic history.

VAL WILLIAMS

Harry Morey Callahan, photographer: born Detroit, Michigan 22 October 1912; married 1936 Eleanor Knapp (one daughter); died Atlanta, Georgia 15 March 1999.

Milosz Magin

DEATH SOMETIMES has an awful sense of timing: the heart attack that felled the Polish-French composer and pianist Milosz Magin, who was visiting Tahiti to give a recital, did so only the week before the seventh Milosz Magin International Piano Competition, a biennial event he founded in 1985.

That impulse was typical of Magin: he thought that the rash of piano competitions spreading over the face of music was generating an unhealthy obsession with technique, and so he simply founded his own event, with the contrasting aim of emphasising musicality – technique mattered, of course (and Magin's own technique was breathtaking), but it was second in importance to a natural sympathy with the music. And musicality was as manifest in his own playing as it is in the healthy corpus of music he has left behind.

Magin was born in Lodz in Poland in 1928. At the Warsaw Conservatory he studied piano, under Margherita Trombini-Kasuro and took composition lessons from Jan Maklakiewicz and Kazimierz Sikorski, teacher of many of the leaders of the next generation of Polish composers – Grazyna Bacewicz, Andrzej Panufnik and Kazimierz Serocki were also Sikorski students. Magin graduated in 1957, with prizes in both piano and composition.

In spite of his local celebrity, Magin resented the restrictions placed on him by the Communists – most of his concertising was restricted to Poland and Russia. In the year of his graduation he entered the Vienna Mota piano competition in Lisbon, where he carried off the laurels (as also from the Chopin Competition in Warsaw and the Concours Long-Thibaud in Paris).

That gave him the chance he was waiting for: his wife, Idalia Skonieczna, also a pianist, then likewise applied for permission to travel abroad. The authorities never normally let the two halves of a family out at the same time, but fortunately they failed to put two and two together, and the Magins, together with their infant daughter, were reunited in liberty. It was to be 17 years before they could visit Poland again.

After a year in Portugal, and sojourns with relatives in England and Germany, in 1960 they settled in Paris – it seemed a good base from which Magin could develop his career as a virtuoso of international standing.

But in 1963, driving home after a concert, he was severely injured in a car crash, fate adding a particularly cruel twist: his left wrist was broken and all feeling lost in one of his fingers. Nothing daunted – perhaps because he had once met a gypsy in Poland who told him he would recover from a serious accident – he fought his way back to fitness, encouraged by the mime Marcel Marceau. By 1968 Magin had so much regained his previous form that he was able to record, for Decca, the complete works of Chopin – a set that received considerable critical acclaim at the time and is now scheduled for reissue on CD. He was also a conductor and competent performer on both violin and cello.

Magin's imposing, slightly formal exterior hid a ready sense of humour and a selfless concern for other musicians. He was especially preoccupied with the well-being – musical and personal – of younger players; to see the parade of eager, under-sized performers from Eastern Europe taking the stage at a heart-warming experience. Without the support he galvanised, these youngsters – some of them only eight or nine years old – would never have been able to afford the trip to Paris, and they plainly loved the experience.

Hardly surprisingly, he was a solicitous teacher. The French pianist Isabelle Oehmichen, for whom Magin wrote his Third Sonata, who studied with him for eight years and who has played more of his music than anyone else, describes his teaching thus:

You would play a work, right to the end, while he listened attentively. Then he paid you some extravagant compliments before the traditional little phrase, coloured with a Polish accent, "There are just one or two small things..." followed by an hour of valuable advice! He never imposed his own view, respecting the view of the student even as he gave generous counsel on style, particularly in the music of Chopin.

Magin's music deserves much wider exposure than it has so far received. It is generally tonal, though freely admitting enough dissonance to give much of his output an invigorating, biting tang. But he was also capable of considerable dignity and depth, and a world that has taken the Gorecki Third Symphony to its heart should also respond to Magin's simple but moving *Stabat Mater*, for strings and timpani (a favourite Magin combination). His *Musique des Morts* of 1965 was a direct result of the car accident of two years earlier: he "wanted to recreate the musical visions I experienced during (my) ambulance ride to hospital" when he was "in an intermediate state between life and death" (his throat had been ripped open in the crash).

Not surprisingly, the piano features prominently in his catalogue: there are five works for piano and orchestra, including three concertos, and a healthy number of solo piano pieces, not least four substantial sonatas (No 4 written only last year) and a number of suites: the Polish *Triptych* of 1967 – three dance movements, the last of which is a ferociously exciting "Oberek" – ought to be part of the standard repertoire.

There are four other concertos, two for violin and one each for clarinet and cello, and further orchestral works include a Polish *Rhapsody* (1963), a ballet, *Bazyliszek* (1964), two symphonies, both scored for strings only (1969 and 1988), and an *Adagio*, again for strings and timpani.

Very little of this output is available on CD. There are two Polskie Nagrania discs, one recorded by Isabelle Oehmichen and the other, by Magin himself, and the French



Polish heritage: Magin drawn two weeks before his death by his daughter Margot

label Marcal plans to record Oehmichen in the Second Concerto and Third Sonata.

Almost all of Magin's music underlines the importance to him of his Polish heritage. Exiled in Paris, Magin missed his home country no less than did Chopin in exactly the same position 150 years earlier, and the memory animates the music of both men. It is fitting, then, that Magin will be buried next to Chopin's tomb in Père Lachaise. Magin should have been one of the big international virtuosos; with luck, his music will carry his name around the world for him.

MARTIN ANDERSON

Milosz Magin, composer and pianist: born Lodz, Poland 6 July 1928; married 1952 Idalia Skonieczna (two daughters); died Bora-Bora, Tahiti 4 March 1999.

Sir Michael Caine

IN AN unlikely liaison, the three worlds of Michael Caine were never far apart. Agro-business (a corporate huzzword he hated), the continent of Africa in all its manifestations, and the Booker Prize for Fiction were his life.

Even in retirement from 1993 his tall, gangling figure, a cigarette rarely far from lips or fingers, was a familiar landmark at the Booker Prize's annual dinner at Guildhall in London. For almost two decades, while at the helm of the prize's progenitor, Booker plc, he had presided over its development into the world's foremost fiction prize. At each year's dinner Caine would rise and make a speech. Some chairmen, with a stammer as bad as Caine's, would have asked a fellow director to deputise. Caine, however, persevered year after year, to the enormous admiration of his audience.

In 1969 founding a literary prize seemed an unlikely venture for a public company that as a colonial business at one time accounted for around 35 per cent of the gross domestic product of what was British Guiana (now Guyana). But in the early 1960s the company, in the process of re-inventing itself as a UK-based conglomerate in



Caine: benevolent autocrat of the Booker Prize

food, engineering and the marketing of rum, took advantage of a loophole in UK tax law also to invest in authors' copyrights, beginning with Ian Fleming (then at the height of his fame as the creator of James Bond) and at one time boasting a portfolio that included Harold Pinter, Dennis Wheatley, John Mortimer, George Bernard Shaw and Agatha Christie.

Although after Bedales and Oxford, where he read Modern History

at Lincoln College, and a post-graduate year at George Washington University in the United States, Michael Caine chose a business career at Booker, at heart he was an intellectual. A Booker director from 1964, 12 years after he joined, he was totally approved of the notion that had been put to the Booker board, that Britain deserved a literary prize as prestigious and as influential as the French Prix Goncourt. With Booker making a substantial return from its authors' division, might it not return a little of its profit by way of sponsorship?

If he was disappointed that in its early years the "Booker" failed to take off in public perception he never lost heart. Some ugly publicity in 1972 when that year's winner, John Berger, not only accused Booker of exploiting colonial labour in the West Indies, but chose to give half his £5,000 prize money to the Black Panther movement, did not prevent Caine (by now Booker's chief executive) from renewing the company's sponsorship after its initial seven years, even though there were fellow Booker directors who thought the investment was not doing the firm any good.

Caine's faith was soon to be fully

justified. In 1980 the Booker at last made front-page news when it was portrayed as a battle royal between two literary heavyweights on the shortlist, William Golding and Anthony Burgess. After that there was no looking back. Caine watched with pride as the prize finally achieved its original aim of recognising artistic achievement while encouraging wider readership of the best in literary fiction.

The prize also gained Booker a level of corporate publicity that rapidly became the envy of its rivals, although Caine never encouraged Booker to cash in on the column inches. Some managers would have used such heightened awareness to develop not just the company's businesses, but in particular to market the Booker name. Caine preferred to see sponsorship fulfilling the vision of his first boss, Jock Campbell, that corporations have wider responsibilities than the pursuit alone of profit.

In 1992, with the support of the British Council, Caine gave the Booker imprimatur to a Russian novel prize. Commercially he could justify this expansion by citing Booker's business interests in the country, but he also confessed a lifelong

admiration for Dostoevsky, Pushkin and Gogol. One felt that he hoped that a Russian Booker might find a late-20th-century equivalent.

On his retirement Caine only handed over the chairmanship of the prize management committee with some reluctance. It was a fiefdom that he had ruled as a benevolent autocrat. At each meeting he would listen to the views of committee members on how the prize should be conducted, but invariably his own judgements prevailed. And with the standing of the Booker Prize as high today as it has ever been, who's to deny that more often than not he got it right.

ION TREWIN

Michael Harris Caine, businessman: born Hong Kong 17 June 1927; director, Booker Bros, McCornell & Co (later Booker plc) 1964-93; vice-chairman 1973-79, chief executive 1975-84, chairman 1979-93; K1 1988; President, Royal African Society 1986-99; married 1952 Janice Mercer (one son, one daughter; marriage dissolved 1987); 1987 Emma Nicholson (created 1997 Baroness Nicholson of Winterbourne); died London 20 March 1999.

Michael St Clair

AN IMPROBABLE, peculiarly small number of art dealers have also worked as practising artists, yet Michael St Clair was remarkable in more ways than just this. He had seriously pursued painting for some 25 years before becoming a dealer but he was also a highly decorated war hero and single-handed saviour of several 20th-century American artistic careers.

He was perhaps best known for reviving and restoring the reputation of Marsden Hartley, turning this painter from an obscure regional figure into a household name, but St Clair's gentlemanly discretion ensured that many other of his achievements went unheralded. Indeed, his companion of more than 50 years, Paul M. Jones, only discovered that St Clair had won the Silver Star and three Bronze Stars for bravery during battle in

Italy in 1943 whilst reading his friend's obituary.

St Clair was a man of few words, perfect formal tailoring and exquisite manners, whose knowledge of the history of this century's American art was outstanding. It was a history he helped to shape. Born in 1913, he grew up in the oilfields of Pennsylvania and Oklahoma and started painting at 18, enrolling in 1934 for classes with Thomas Hart Benton at the Kansas City Art Institute. Another of Benton's pupils was Jackson Pollock, whom St Clair knew, though St Clair was precisely as patrician as Pollock was Bohemian.

St Clair then moved to Manhattan and studied with George Grosz at the Art Students' League, followed by the Colorado Springs Art Centre. He was involved in the WPA (Works Project Administration) in Okla-

homa City where he had his only solo show in 1942. Enlisting with the 328th Fighter Squadron, he saw active service in Europe and northern Africa but returned to New York to continue his career as a painter.

This lasted until 1959 when he came to the Babcock Gallery, which since 1882 has dealt exclusively in American art, an unbroken record for a commercial establishment. Starting as a director, St Clair bought the gallery and the same year took over the Marsden Hartley estate, a truckload of paintings brought down from rural Maine. He immediately put on a show, the first of 11 exhibitions in the next 20 years that transformed the appreciation of Hartley in every sense, financially as well as critically.

St Clair placed Hartley works with 70 museums, not to mention the retrospective at the Whitney Museum

of American Art in New York in 1978, the first major museum show for Hartley in 30 years. As John Driscoll, who bought the Babcock Gallery in 1988, puts it, "Nobody in this century did more to keep Hartley's name in front of the public, and that alone is a major accomplishment. Hartley was fortunate to have someone like Michael come along."

As well as Hartley, St Clair also built a following for such relatively neglected painters as Childe Hassam, Ambrose Webster, George Innes and Alfred Maurer, who was known as "the first modern American artist" and whose bizarre warfare with his father, a traditionalist artist, ended with his father's death at the age of 100 and Maurer's subsequent suicide when he realised he could not live without so bitter an enemy. St Clair was also an acknowledged expert on the ever-



St Clair: gentleman dealer

mysterious Albert Pinkham Ryder, having gathered incomparable records about his scarce works.

But, during nearly 30 years of running the Babcock Gallery, St Clair

also showed contemporary artists, especially if their names began with "B", such as Bessie Boris, Ben Ben and Byron Burford, who represented America at the Venice Biennale in 1968. He also exhibited the work of the eccentric railroad heir Jerome Hill and the constructivist modernist Stephen Edlich. When he sold the gallery, St Clair remained very much part of its operations and aesthetic, as its active *eminent* grise. Last year he established the Babcock Galleries Endowed Fund for Art History at Pennsylvania State University.

As a salesman St Clair managed to be elegantly taciturn and as rigorous as any academic, refusing to lower or debate his stated price, like an old-fashioned gentleman dealer. Equally quaint, most of what he sold also belonged to him personally, works he would take home to live

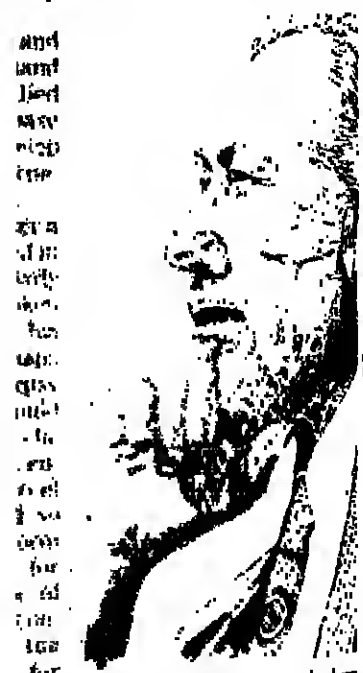
with, although he did not collect. Greta Garbo used to come into the gallery to enjoy his erudite explanations, and he was mortified when one day she suddenly fell to her knees to examine paintings he had propped against the wall, before he had had time to hang them or stop her.

As St Clair was expert at tracking down the scattered works of neglected artists, perhaps the only remaining question is where his own oeuvre, a quarter of a century's worth of paintings, might be found today. In his gracious apartment on East 74th Street, only one very small landscape signed Michael St Clair was to be seen.

ADRIAN DANNATT

Michael St Clair, art dealer and artist: born Bradford, Pennsylvania 28 May 1912; died New York 22 February 1999.

z Magin

[illegible]

Canon Peter Hammond

PETER HAMMOND was a man quite impossible to pigeonhole. He moved at ease in the different worlds of the Navy, music, the Orthodox Church, Greece, architecture. He was teacher, artist, writer, priest. He kept friends from every epoch of his kaleidoscopic life; background, age, interests were irrelevant in his company. He would treat an eight-year-old as his equal, presenting him with strong black coffee in a Lucie Ricap, showing the same attention and reverence to both person and object.



A book waiting for a publisher: one of Hammond's pen-and-ink drawings of Amorgos, 1932

Kent, in 1921, though his ancestry meant that Cornwall was a place he came to love. In 1932 he went to art college and gained a scholarship to the Royal College of Art, but joined the Navy in 1939 and spent four years in courtesies, choosing to remain a painting, escorting the North Atlantic convoys and gaining a reputation for his speed and accuracy as a coder. In 1943 he was posted to Sicily for the invasion of Italy, then was sent to Alexandria and was demobbed in 1946. It was his experience of these war years at sea that led to his decision to be ordained in the Anglican Church.

He went to Merton College, Oxford, in 1946 to read History. It was at Oxford that he developed his interest in Eastern Orthodoxy and before going to the theological college at Cuddesdon he spent two years in Greece, based on Salonika but travelling widely. His first curacy was in Summertown in Oxford (where he was particularly appreciated for his cricket) and this was followed in 1953-55 by his work as the general secretary of the Anglican and Eastern Churches Association while he was with Patrick O'Loughlin at St Anne's, Soho, and St Thomas, Regent Street.

During these years he wrote his first book, *The Waters of Marah: the present state of the Greek Church*, which eventually appeared in 1956. In a typical Hammond combination it brings the historical scholarship, vivid portraits of local life, and profound theological insights into the nature of Eastern Christianity. He was also the driving force behind the translation by a small group of friends of the extremely significant work of Vladimir Lossky *Essai sur la Théologie Mystique de l'Eglise d'Orient*, which had been published in Paris in 1944. Again Hammond showed himself a prophet, for the subject was then virtually unknown and without his skill and determination this book, which still remains the best introduction to the subject, would never have been published. It appeared in 1957, and today is acknowledged as a classic, constantly reprinted on both sides of the Atlantic.

In the Fifties, the focus of his inter-

est once more shifted. In his tiny village church at Bagendon in the Cotswolds, his creative sense of liturgy was expressed in the way in which he celebrated standing behind the altar facing the people, once again amongst the pioneers in what was later to become generally accepted. The New Churches Research Group was founded in 1957, bringing together another group of friends, who were inspired by his enthusiasm for the relationships between the church building and its worshipping congregation.

This was explored not only in conferences, pamphlets and study tours but also in two significant books: *Liturgy and Architecture*, published in 1960, and in 1962 *Towards a Church Architecture*, a collection of studies which he planned and edited. These established him, as Tanya Harrod says in her new book *Crafts in Britain in the Twentieth Century* as "the Church of England's leading architectural theorist". His influence on the transformation of the design of religious buildings however went far wider and became truly international and inter-denominational.

From 1962 until 1980 he taught History of Art and Comprehensive Studies at the Hull College of Art, where he showed himself a disciple of W.R. Lethaby and developed courses which included art, dance, drama, music and literature, particularly poetry. Here his musical life, which owed much to a father who had been in the orchestra of Morley College in the great days of Arnold Foster, surfaced. At Oxford he had shown a passion for medieval music and for the music of the Eastern Church, and this continued through his life, particularly in his much-valued association with Mary Berry and her Gregorian singers.

The early Eighties saw him once more in Greece, living on the island of Amorgos, where he studied, drew, wrote and talked, becoming part of local life. His notebooks and exceptionally accurate topographical draughtsmanship, which captures the elusive beauty of Cycladic architecture, remain as the raw material of the book for which he failed to find a publisher.

His last years were spent in Lincoln

where he was particularly involved with the fabric of the cathedral and brought his profound feeling for historic buildings to bear on its conservation. After his installation as canon in 1967 he succeeded in bringing together 40 international conservators and art historians to decide what should be done about the deterioration of the Romanesque frieze on the west front of the cathedral.

His energy and commitment ensured that this project succeeded against all the odds. And here in Lincoln, as always, his friends could count on finding him, ready to greet them with his nicely judged cooking and conversation and his undemanding welcome.

**KEITH MURRAY
AND ESTHER DE WAAL**

Peter Hammond, priest: born London 24 February 1921; ordained deacon 1951, priest 1952; Canon and Prebendary, Lincoln Cathedral 1987-99; married Lilian Finsler (three sons); died Lincoln 1 March 1999.

HISTORICAL NOTES

United family of Benetton

BY THE beginning of the 20th century, the family business was at its height as driver and beneficiary of national economies around the world.

In Britain and other countries, many such businesses survived world wars and recessions only to be destroyed by the imposition of centralised controls over wage bargaining, staffing and management during the 1970s. Those which survived to the 1980s were often fatally weakened and vulnerable in a "free" market where predators masqueraded as capitalist heroes. Now, on the edge of the 21st century, the Government is preaching the virtues of both family and the return to work, and perhaps it is time we looked again at the family business.

The real life-rags-to-riches story of the Benetons is a case study in point. Just over 30 years ago, the four Beneton siblings started out with a locally proven idea and an ambition which no bank would lend them money to fulfil. Today they supply 8,000 clothing shops in 120 countries.

What makes such a successful family business? As was the case in pre-*Warfare* State Britain, it took a dose of straitened circumstance for every measure of hard work. The lack of a safety net, even near-anarchy, would seem to be a prerequisite for the rise of such a phenomenon. Nowhere are family and the family business more prover-

ually the rocks of society than in Italy, in whose post-war ruins the Benettoni grew up, and amidst whose political chaos they remain happily centred today.

This is a circumstance-based recipe for success, and it includes a hefty dose of fate of the kind against which you cannot legislate. Luciano Benetton was only 14 years old when his father died after a debilitating illness and a business failure, forcing the son to leave school and become the family breadwinner. Had his father lived, it would have been a different story. "I am convinced," he has said, "we would not be here today."

The most successful family businesses are also the most flexible. In a move which most likely would have been impossible in a business in thrall to institutional shareholders and market analysts, they have hedged their bets by building a separate and parallel empire based on motorway and airport services, restaurants and hotels. This may be a mountain with one of the best-known names in the retail world, yet the summit is not named Benetton, but Edizione; an all-powerful holding company, the 16th biggest in Italy, yet owned by a mere five members of the family.

This ability to preserve the interests of family while introducing new blood, be it human or in the form of information technology, is disastrous in its absence. When

a family business goes wrong, it goes very wrong indeed, and excessive or misdirected exercise of family control is usually to blame.

The successful family business, like the successful family, brings returns for workers and worker owners. In the case of Benetton, success has also brought to galassied xenophobia in the form of American protectionism, and school boycotts on the part of envious advertising agencies, when the brand strategy backfired and the advertising went out of control. It has brought the sharp side of the home, to the chain ring classes, whose residual contempt for "track" belies the fact that their own prosperity is founded on the same.

What is the moral of such a family saga? It may not be possible to elude such a phenomenon, but it is possible to learn from it. It may be possible, but not desirable, to be a retail giant that feeds it has to be a cultural icon in order to keep it in the family. Either way, if a family keeps a well-managed business, the business will keep the family, if not always together, at least functioning through the inevitable hazards of death, deprecation and divorce, all of which and more it has done in the case of Benetton, to the next generation.

Jonathan Mantle is the author of 'Benetton' Little, Brown, £17.99

Luis María Argaña

LUIS MARIA Argaña, who was assassinated yesterday in Asunción, was one of Paraguay's most controversial political figures. As Vice-President, he was at the centre of a bitter struggle for political power with President Raúl Cubas Grau, and the real power behind the throne, the former army commander General Lino Oviedo. Argaña's murder brings much closer the prospect of a direct military intervention for the first time in a decade.

Argaña was an expert exponent of factional politics in a country long run by a single party, the National Republican Association (ANR in Spanish), better known as the Colorado party. This organisation was the vehicle for the long military dictatorship of General Alfredo Stroessner, who ruled Paraguay from 1954 until he was overthrown by the military in February 1989.

Argaña was one of the main props of the Stroessner regime, which he served as president of the supreme court. But he managed to change sides

Just in time, and was appointed foreign minister of the new government led by General Andrés Rodríguez.

Argaña remained a principal actor in Paraguayan politics when the Colorados were returned to power in elections in 1993, becoming president of the party and using his control of the Colorados' all-powerful machine to plan his own bid for the presidency in the 1998 elections.

He was, however, outmanoeuvred by the supporters of the army commander, General Lino Oviedo, the leader of a "revital Colorado" faction, the so-called "ethical tendency." A military careerist, he has been a political activist in Paraguay; on the contrary membership of the ANR has traditionally been a prerequisite for advancement.)

Oviedo attempted an unsuccessful coup against President Juan Carlos Wasmosy (also a Colorado) in 1997, was cashiered and sentenced to 10 years' imprisonment. That stopped Oviedo from running for President himself last year,

Cubas was duly elected, and made it his business to grant Oviedo a presidential pardon as his first official act. This led to a bitter wrangle between the President, the judiciary and the legislature, which is dominated by the pro-Argha faction of the Colorados. While all this was going on, Oviedo travelled around the country, revelling in the political chaos he was causing and preparing to make another bid for control of the Colorado apparatus in next month's internal elections.

Oviedo's only serious impediment was Argha - who was removed when three men in military uniform opened fire on his car in an Asunción street.

Argha, a short, wiry man with a peremptory manner, came from a leading Asunción family. He was a graduate of Paraguay's military academy and qualified pilot as well as a lawyer.



Argaña during elections in 1997

In the latter capacity he was a member of the International Court of Justice in The Hague.

COLIN HARDING

Luis María Argueta Ferraro, politician: born Asunción 9 October 1932; died Asunción 23 March 1999.

Mental element of tachograph offence

SECTION 9611(A) of the Transport Act 1968, which prohibited an employer of drivers from causing or permitting a driver to contravene the requirements of community rules restricting driving hours, the word "permitting" meant not taking reasonable steps to prevent contraventions of the rules by drivers.

The House of Lords allowed the defendant's appeal against the decision of the Divisional Court to remit charges against him under section 9611(A) of the Transport Act 1968 to the justices with a direction to convict, ordering instead that the matter should be returned to the justices for retrial.

The defendant was the

**WEDNESDAY
LAW REPORT**

24 MARCH 1999

**Vehicle Inspectorate
v Nuttall**
*House of Lords (Lord
Synn of Hadley, Lord
Jauncey of Tullichettle,
Lord Nicholls of
Birkenhead, Lord Steyn
and Lord Hobhouse
of Woodborough)*
18 March 1999
*O'Brien (Dooley & Co) for the
Vehicle Inspectorate.*

the regulations took place, that would generally be sufficient to establish recklessness.

In the absence of evidence to the contrary, justices were entitled to assume that a licensed operator would be aware that for road safety purposes he was obliged to perform periodic checks on tachograph records. If, in those circumstances, apart from proof of a series of contraventions by drivers the only evidence was an explanation by the employer that he did not examine the records over the relevant period of time, that was capable of amounting to a *prima facie* case.

A *prima facie* case was, however, capable of being rebutted. It had to be emphasised that if justices were not satisfied on the whole of the evi-

GAZETTE

DEATHS

DORMAN: (Dublin) 22 March
1982, peacefully at St Vincent's
Hospital, Elm Park. Christopher
(Christy), Eoin Patrick, David and
late of Captain's Avenue,
Belfast. Husband of Mary, and
loving father of Gary, the late
Karl, Ronnie, Barbara and
Genie. Deeply regretted by his
loving wife and family, sons,
sons-in-law, daughters-in-law,
grandchildren, relatives and
friends. May he rest in peace.
Funeral today Wednesday after
10am Mass in St Agnes
Church, Crumlin, to Mount
Jerusalem Cemetery. All enquiries
to Patrick Massey, Crumlin
Road, Dublin 12, telephone
Dublin 455 2522.

more of Thamesfield), beloved husband of Lucile and father of Julian and Paul, died peacefully at home on Saturday 20 March aged 64. The funeral service, for family and friends, will be held at 1.30pm on Monday 29 March at All Saints Church, Fulham, Church Gate, London SW8 and followed by a private burial. A memorial service will take place at a later date. If desired, either funeral flowers or donations to Marie Curie Cancer Care, c/o E.

BIRTHS, MARRIAGES & DEATHS

Lerner & Son, 248 Upper Richmond Road, London SW15 6TG. (Parking at the Church is very restricted.)

TOFFOLO: On 18 March 1989, Giuseppe Giovanni Battista Toffolo, dearly loved husband of Oonagh Shanley, Requiem Mass at 10.30am on Friday 26 March at the Church of the Immaculate Conception, Farm Street, W1. Flowers may be sent to A. France & Son Ltd, telephone 0171-405 4901.

WEST: On 19 March 1989 Neville Frederick, of Ringmer, late of Sussex University, Director of Q.M.S. Enquiries and donations if desired, to Marietts Hospice c/o Cooper & Son Funeral Service, 42 High Street, Lewes, East Sussex, 01273 475557.

BIRTHDAYS

John Allison, Air Officer
Commanding-in-Chief Strike
Command, 56; Mr David
Atkinson MP, 58; Mr Roy
Berridge, former Chairman,
South of Scotland Electricity
Board, 77; Miss Barbara
Daly, make-up artist, 54; Sir
David Eady QC, High Court
judge, 58; Mr James Fox
Andrews QC, former circuit
judge, 77; Mr David Jewell,
former Master, Halesbury
College, 55; Sir Peter Leslie,
former chairman, Common-
wealth Development
Corporation, 66; Mr Patrick
Malahide, actor, 54; Sir
Peter Meinertzhagen, for-
mer general manager, Com-
monwealth Development
Corporation, 79; Mr Herman
Onsley, Chairman, Com-
mission for Racial Equality,
54; Miss Suzanne Norwood,
former circuit judge, 73; Pro-

Lecturer Dorothy Sefton
Filmour Professor
at Liverpool Univ

ANNIVERSARIES

Births: William Morris, socialist, artist, poet and typographer, 1834; Terrence Steven (Steve) McQueen, actor, 1930. **Deaths:** Queen Elizabeth I, 1603; John Killington Smythe, playwright, 1909. On this day: the city of Camerluc was captured by Vamerluc, 1401; it was announced that direct rule would be imposed on Northern Ireland, 1972. Today is the Feast Day of St Aldemar, t Catherine of Vadstena, St Remensis of Sirmium, St Simon of Trent and St William of Norwich.

ROYAL ENGAGEMENTS

[illegible]

WORDS

**CHRISTOPHER
HAWTREE**
'n', conj.
The New York Times
ick 'n mix [is] at the h
the modern any use

His rock 'n' roll take on culture has at least got the punctuation right: 'n' lacks an "n" and "d" - hence there should be two apostrophes to indicate their omission, not quotation marks. Even the Apple system does not grasp this: it's a matter of cut-and-pasting

You ask the questions

(Such as: drugs tsar Keith Hellawell, what would you do if you discovered your children were smoking dope?)

Keith Hellawell, 56, started his working life as a coal miner before joining Huddersfield Borough Police. During his 36-year career in the police service he was awarded the Queen's Police Medal for Distinguished Service in 1990, rising through the ranks to become Chief Constable of West Yorkshire Police in 1993. In January 1998 he took up his current position as UK Anti-drugs Co-ordinator, charged with co-ordinating an anti-drugs strategy across 110 government drug-action teams.

Do you believe that prostitution is linked to drugs?
Unfortunately, yes, many young women are prostituting themselves to feed their drug habit, some from their very early teens. Street agencies estimate that more than half of the "working women" have a serious drug misuse problem and that their work and drug misuse are inextricably linked. I have spoken out against describing the most vulnerable as prostitutes, as I regard them as victims and not offenders.

If you believe that locking drug dealers up is not a solution, how do you propose to punish them?
I do believe that drug dealers ought to be locked up, many of them for a considerable period of time. However, many people are dealing drugs to feed their own drug habit, and I consider that where their criminality is caused by addiction they must be treated as well if we are to reduce long-term criminality. Treatment and enforcement, not treatment or enforcement is where I stand.

Do you have children? What would you do if you discovered they were taking drugs?
Three children, six grandchildren. Fortunately none have been involved, partly because we have discussed the issue with them from a very young age. If they had, however, I would have discussed the subject with them as dispassionately as I could, and were they addicted, seek help from our GP or a specialist drug service such as the National Drugs Helpline (0800 776600).

Do you despise drug users and dealers? If not, what do you feel towards them?
I have a repugnance for dealers who are happy to benefit from the misery of others. Many are extremely cruel people who subject their clients to violence. Addicts often sell drugs themselves in order to pay for their habits and avoid violence at the hands of their suppliers. There are many categories of users. There are those with



a genuine illness who use drugs to alleviate their pain. The Government has licensed research into the medicinal properties of cannabis to establish the validity of using it to help in the relief of pain. I have, however, little time for those users who believe it is their right to flout the law by using drugs regardless of the consequences.

How can parents help you to tackle drugs in schools?
Parents have a major part to play; firstly, in the home. I have met parents who have lost children to drugs who feel guilty they did not do more. Others feel inadequate and wish to know more. That is why the Government has published the Parents Guide to Drugs and Alcohol and

has set up a website (<http://www.trashed.co.uk>). Parents also have an important role to play with teachers in schools. The Government's financial support to be directed to drugs education over the next three years highlights the partnership between teachers, parents and youth workers. It is this integrated approach which will make an impact.

If drivers could be tested to see if they were under the influence, would you agree to the legalisation of cannabis? If not, why not?
There are two parts to this question and I cannot really see the link. However, 18 per cent of all drivers killed on our roads have illicit drugs in their body, more than half of them cannabis. Scientific research con-

firms that cannabis can damage people's ability to carry out many types of tasks including driving and using machinery and that is why we are developing better testing devices for the police. Along with other, more long-term health risks associated with the use of cannabis, the risks involved in legislation far outweigh the arguments in its favour.

How do you think your experience as Chief Constable for West Yorkshire can help you to tackle the drug problems of an entire nation?
As Chief Constable I spent much of my time listening to the problems of the community. I saw at first hand the damage drugs caused, whether through deaths, criminality or violence. I represented the police

service nationally on the subject of drugs. I was a member of the Advisory Council on the Misuse of Drugs and helped develop a partnership approach with other agencies with prevention and treatment backgrounds. I advised the Government on many drug issues. Internationally I advised other countries on drugs policies and represented the UK on many occasions. My previous jobs afforded me first-hand experience at all levels.

How did you move from mining into the police force?
I always wanted to be a police officer. When my wife and I decided to marry, I left the pit to join the police as it was a much more secure job, although less well paid, but we were allocated a free police house.

Do you find that your former colleagues are supportive of your current role, or are they jealous?
They are supportive. Many encouraged me to apply for this job as I had represented their views on drugs for a number of years. However, the police service is a competitive profession and I suspect it will not be immune from jealousies, which will undoubtedly include me.

What do you think of Amsterdam's answer to their drug problem?
It's not really an answer. They describe the Drug Cafés as an experiment, one with which they are having problems. Over the counter, take-away purchasers of small quantities of cannabis, particularly for use in other countries, has led the Dutch government to harden its policy. Their policy of tolerating possession for personal use is also being severely stretched by the café owners who hold large amounts. Their suppliers, who are major dealers, use Holland as a base for their international activity with some impunity.

The government believes it is giving out the wrong message to young people about Ecstasy (ie that it is safe and it is not a criminal offence to take the drug). In future, information about the damaging effects of the drug will be handed out if and when pills are tested. Their treatment programmes for heroin users are having a very positive effect in reducing the number of addicts.

Questions submitted by:
Elizabeth Goddard, Norwich
Steve Menary, Kew, London
Sean Lineham, Highgate, London
Cokin Muir, Ipswich
Naomi Wilkes, Reigate
Francesca Latham, Northallerton, North Yorkshire

NEXT WEEK

TREVOR McDONALD,
FOLLOWED BY GRIFF
RHYS JONES



SEND questions for Britain's favourite newscaster Trevor McDonald, and for the actor and comedian Griff Rhys Jones, to: You Ask the Questions, Features, The Independent, 1 Canada Square, London E14 5DL (fax 0171-293 2182, or e-mail yourquestions@independent.co.uk), by 12 noon on Friday 26 March

We may not have a nation but at least we have a TV station

Thirty-five million Kurds may not have a country, but they do have a television station. Except that the ITC is closing it down after pressure from Turkey. By Philipp Blom

AT FIRST glance, Hikmet Tabak looks like any other London media executive. Dressed in a dark suit with blue shirt and designer tie, his mobile phone never far from his hand, the 39-year-old director of the Kurdish station MedTV is the very image of the elegant urbanite. "Before we began broadcasting," he says "only smugglers brought news from one Kurdish community to the next. The Kurds were told that they didn't exist, that their culture was worthless. Now they can hear their own language, listen to their own music."

On Sunday, Mr Tabak and his colleagues at the station celebrated the Kurdish New Year. MedTV had managed to survive another year despite Turkish opposition, creating a virtual Kurdish nation for its 16 million viewers throughout Europe, the Middle East and North Africa.

But on Monday, Turkish television reported that the channel was due to be closed at 4pm. The Independent Television Commission (ITC) had decided to suspend the station's broadcasting licence for 21 days for breaches of impartiality and incitement to violence following coverage of the capture of Abdullah Öcalan, the leader of the Kurdish Workers' Party (PKK).

A few days earlier, I had visited the cultural capital of Kurdistan: Denderleeuw, 20 miles from Brussels. Here, on an industrial estate, are the studios of MedTV, broadcasting via satellite 18 hours daily of Kurdish news, features, music, discussion programmes and religious debates. It is the voice



Some 16 million Kurds are thought to tune in to MedTV regularly. Magali Delporte

of a country that, according to Turkey, does not even exist. The station is run on an annual budget of £10m. The wobbly-looking set for the daily phone-in, *Good Morning Kurdistan*, is very much in Middle Eastern taste, with little porcelain figures in display cases, wallpaper simulated by dabs of paint, rattan furniture, and book-spines painted on to wood. It is a living-room for the thousands who phone in from the Anatolian mountains, Syria, northern Iraq and Europe.

The Kurds are not only one of the oldest cultures; they also, with their 35 million members, make up the largest stateless nation in the world. They trace their roots back to the Medes, an ancient civilisation

which lends MedTV its name. In Turkey, watching the station amounts to an act of rebellion. Satellite dishes are impounded and shot at by the authorities; viewers are threatened with prison. Despite all

The Kurds are the world's largest stateless nation

this, or because of it, MedTV has an almost religious following. Sixteen million people are said to watch the station regularly. Since MedTV went on air in 1995, Turkey has tried to stop

it from broadcasting. The station is dubbed "PKK TV" and is accused of being funded by organised crime, and of supporting terrorism. Its satellite signal has been jammed from a Turkish source and broadcasting deals have been revoked after pressure from Turkey. That country has also lobbied the British Government and the ITC to close the station, which is administratively based in London.

The ITC objected to the screening of interviews with PKK activists, who call on the Kurds to rise against Turkey and declare a state of war. The rebel movement's belligerent hyperbole sits uneasily with Western standards of journalism, especially as

the station did not contrast these calls with other views. In the months leading up to the ITC's decision, the station has been warned and fined for failing to ensure the impartiality of its reporting.

But, says Mr Tabak: "It is almost impossible to present impartial news coverage if Turkish officials refuse invitations to appear on the programmes. Our opponents are working to Middle Eastern rules, but we have to abide by British standards."

For those working at MedTV, journalism is an act of cultural self-assertion which is often bought at a huge price. Everyone has friends and family members who have been threatened or killed.

Mr Tabak, the son of mountain farmers, became involved in demonstrations for Kurdish rights and culture while he was at school. In 1978, then 18, he was arrested as a "trouble-maker" and tortured by the Turkish authorities. He was released 11 years later. The only conviction he received was a three-year sentence for saying in court that he was Kurdish.

When I visited the studios of MedTV, images of corpses and of women in shock and mourning were flickering across multiple screens, accompanied by elegiac music.

"Today is the anniversary of a terrible day," explained one of the journalists working there. "On 16 March 1988, 5,000 Kurds were gassed by Saddam Hussein in south Kurdistan. We have lost so much. But we do have MedTV. We can at least speak our language here."

THE IRRITATIONS OF MODERN LIFE

34. PEDESTRIANS BY STEVE JELBERT

MANY YEARS ago, long before *Crimewatch* UK warned viewers to be afraid of strangers seeking lifts, a sign stood beside the southbound M5 lane at Taunton which delighted generations of hitchhikers aiming for the legendary *hush-pots* of the South-west (and Newquay).

A simple white-on-red rectangle reading "Pedestrians - Look Right!" had been amended over the years with the phrases "Feel Right" and "Outsight!"

Dead right, because pedestrians need a bit of living up. Who are these people, presumably capable of using cutlery without wounding themselves, that find the task of, well, walking, beyond them? Anyone who has ever had to hurry through a busy British high street - possibly to collect a vital legal document, or perhaps a human organ for transplant purposes - will be reminded of that cheap Brownian Motion experiment taught in school science lessons, where the random movement of particles is observed.

I have to declare an interest here. As an urban cyclist, sporting a T-shirt that proudly declares "I AIM FOR PEDS", I'm acutely aware of potential hazards - like the git who walked straight into the road, and me, in Balham last year. (He got a mouthful, I got concussed.) Ten thousand London cabbies could and will tell you that non-commercial traffic is banned from Oxford Street mainly because only highly trained drivers what-have-done-The Knowledge possess the sharp responses necessary



Could you walk a little faster...? TB

to avoid ploughing into Mr and Mrs Merle Moron of Minnesota. Every year, tourists suffer comedy foot-breakage or worse at the wheels of a Routemaster bus, as they forget our quaint habit of driving on the right-hand side of the road, and inexplicably fail to sense a huge red thing bearing down on them.

Presumably US visitors are confused by the very concept of public transport, which not even Princess Di ever stooped to. But great thinkers such as Norman Foster, architect laureate, have been forced to confront the ped problem. The capital's Jubilee Line extension incorporates platform screens to prevent stupefied walkers wandering on to the tracks with their shopping. That well-known curmudgeon, Chelsea FC's owner Ken Bates, was on to something when he proposed electrified fences to restrain football fans back in the Eighties.

This is an international problem. Genius prankster Joey Skaggs created an organisation of "vigilante sidewalk etiquette enforcers" called WALK RIGHT! in New York in 1984. Their 66-point

programme included regulations such as "Obese people must walk in single file", "All joggers must wear underwear", and "No stopping while walking except when in the shopping lane". Predictably the media, including CNN, fell for it, yet the natives canvassed happily signed a petition in support.

Even the very word has negative connotations. Think of pedestrian books, or movies, records, websites even. A "pedestrian protest" hardly evokes images of happy ramblers seeking roaming rights. No, it brings to mind clueless, shuffling humanity, all creeping along half-heartedly in the same general direction. A muddy Glastonbury Festival, in fact.

Oddly, international guidebooks generally suggest that striding purposefully will enable the streetwise visitor to pass for a local anywhere. Until clothing featuring indicators is perfected, perhaps our only hope is to be surrounded by sightseers trying to fit in.

Of course, if you need to ask for directions you'll be stuck, but that's another irritation entirely.

IS
do if you
)

Do you find that your former colleagues are supportive of your current role as they are jealous?
They are supportive. Many encouraged me to apply for this job as I had represented their views in drugs for a number of years. However, the police service is a competitive profession and I suspect it will not be immune from jealousies, which will undoubtedly include me.



What do you think of Amsterdam's answer to their drug problem?

Drugs "clubs" are an experiment, one which they are having problems overcoming. Take-away purchasers of large quantities of cannabis, paying no tax, is not a new idea. It has led to the use in other countries, particularly in Germany, to tax cannabis for use by the government to further its policy. The policy of tolerating possession for personal use is also being severely stretched by those owners who hold large amounts. These players, who are major dealers, are being used as a base for their international activities and their impunity.

The government believes it is going to the wrong measures to young people. Finally, it is that it is safe and it is not final officers to take the drug. In fact, information about the damaging effects of drug will be handed out if and when they are tested. Their treatment programs for heroin users are having a very good effect in reducing the number of addicts.

Questions submitted by:
Elizabeth Goodland, Norwich
Nancy M. Morgan, New London
Sandra L. Fanning, Hingham, Maine
John M. Morgan, New York
Nancy M. Morgan, New York
Elizabeth Goodland, New London
New York, New York.

NEXT WEEK
ERINOM McDONALD,
FOOTLOOSE BY GARY
REYES RENTS

ERINOM McDONALD, an Ontario housewife, was the first to bring McDonald's and its little red and white striped uniforms to the attention of the public. Ask the question: "Where the hell is McDonald's?" and you'll find the answer: "In the States."

THE FIRST TIME she saw a McDonald's sign, she was so excited that she wrote a letter to the company. She was 14 years old at the time.

OF MODERN LIFE
STEELE LIBERT

a little basket

[illegible]

Yvonne Thurman, rumoured to be wearing several other designers, finally emerged in Chanel couture



Emily Watson's chic, beaded grey number was a bit too similar to Meryl Streep's for comfort...



Judi Dench in coat and dress by Abu Jani and Sandeep Khosla. She wisely avoided the full-length look



Jennifer Lopez ignored this year's no-black policy. Strapless was the way to go for gorgousness



eryl Streep in grey (no longer
e new black). The workmanship
mply sighs Valentino. Beautiful



line Dion in back-to-front Dior
ature. Very modern; the tux is a
od alternative to the cream puff



another great new look. The tunic and trousers are subtly elegant



Hilary and Jackie' co-star, Emily Watson, in this clinging pink gown



**f Madonna's book. Her top takes
deconstruction one step too far**



ewel colours and cut a dash in this baby-red Versace couture creation



altrow look sublime in black John
alliano and pink Ralph Lauren



... (the colour of the Oscar
...) and looks less sugary for it

On Oscar night, clothes really can make the woman. (And, in some cases, her career.) By Christa Worthington

Sometime in the last decade, Hollywood and fashion discovered that, like Fred Astaire and Ginger Rogers, they could flatter each other on camera. As a result, the red carpet of the televised Academy Awards ceremony has become the world's most watched fashion runway, and the winner is increasingly the best dressed.

In the old days – pre-1990 – you could watch the Oscars for the entertainment value of the fashion disasters – the occasional excesses of soul displayed by those flashy stars who were uninhibited by the international codes of good taste. LA was still a regional outpost as far as fashion was concerned, and the guidance of the studio costume designer had

‘I’m ready for my close-up...’

...entireties could wear transparent Armani scanni
squeezed and haubled. Raquel Welch could appear
in a royal-blue sequined catsuit (1978). And still there
was no mistaking that they were stars.

Now, movie stars look more like fashion models,
all lined up in pretty, satin slip dresses or this sea-
son's pale-pink ballcrin gown. A certain seamless
and predictability, however glossy and globally
unauthorized, has set in. Under the heightened scruti-
ny of more and more cameras, no one can afford
to be laughed at – a fear that has fuelled the boom
career of “stylists”, costume designers and per-
sonal dressers to the stars, many of whom have in
recent years become minor celebrities themselves.

“It’s elegant and fashionable but not directional,”
observes Valerie Steele, curator of the museum of
the Fashion Institute of Technology in New York,
about Oscar-nominated fashion. “In the last six or seven
years, so many actors have been put into the hands
of stylists that they have become a fashionista’s
appearance. It has to do with a blurring between the
actresses and fashion models. In the early Nineties,
actresses were hot; by the mid- to late-Nineties, they
were losing ground to the actresses who were
dominating magazine covers and being styled like
models, but with curvier bodies and more idio-
syncratic faces.”

And it’s not just at the Oscars – at the Emmys,
the MTV music video awards and the Golden
Globes, too, clothes are increasingly becoming the
focus of entertainment.

“Actors and actresses in general don’t normally
have a lot of interest in fashion. Historically they
haven’t,” says Steele. “They just dress for their roles.
It’s because fashion has become so ‘fashionable’ that
you started to see famous actors in the front row
at the Versace and Armani shows. The designers
immediately realised that they got free publicity. The
actresses got credit for being stylish as well as
glamorous, and the designers for being glamorous
as well as stylish.”

For actors, fashion is serious. In the right “press
dress” even a lesser-known can score a globally dis-
tributed photograph and make a brilliant career
move. Elizabeth Hurley’s evening out in Gianni Ver-
sace’s safety-pin dress is one stellar example of the
clothes making the star.

In the Hollywood fashion calendar, there are press
dinner to attire, accessorise and make up, chat-
show appearances and film promotion tours, all of
which are co-ordinated by professional stylists. Fashion
and Hollywood trends are not always in sync,

However, Sports have to come up with clothes that perform well on camera, move freely, won't wrinkle in the limelight, and come in textures and colours that flatter the wearer under strong lights. Just as importantly, they have to translate the often confusing extremes of fashion into something readily understandable to middle America.

"Hollywood likes sexy, tight, fitted clothes. There was a time when rude was a popular colour for fashion, but it's not good for TV," says Susan Ashcroft, whose company, Film Fashion, represents Escada and other labels on the West Coast.

"Then fashion had its grey years, which is not a frequently requested colour in Hollywood. Now people are into jewel tones and muted pastels — camera-friendly colours."

In America, the Awards has become the second most-watched show after the Superbowl. This time around, they mimicked that sports event with a new

And post-game wrap-up.

Phillip Bloch, who mostly on styled numerous stars at the Oscar ceremony, and gave the red-carpet fashion commentary for CNN and ABC, says the fashion mission at the Academy Awards this year was to make actresses "look like every little girl's dream of when I grow up I want to be a movie star".

In designing the dream, stylists can either flop or score. In 1996, the stylist Jessica Parr launched Randolph Duke's career when she put Minnie Driver into the ruddy-red jersey dress he designed for the *Bad Boys* movie. The look was a hit. And Phillip Bloch not only received accolades for Madonna's black silk tube and dove-grey tulle outfit, a combination of *Julie*, *Thelma*, and Jean Paul Gaultier.

"It's become a war of stylists," says the costume designer Barbara Tanke about the competition around the Oscars. Tanke customised the look of

Julia Thurnham in her hugely successful *Illac Prada*. *Pulp Fiction* dress of 1995, considered a fashion triumph for being unexpected. Prada was not known for evening clothes) and quietly glamorous. (The dress was recently auctioned at Christie's Unforgettable: Fashion of the Oscars sale of dresses to benefit AIDS research - it sold for \$9,200.)

This year's most stylish and movie-like nominees: Gwyneth Paltrow and Cate Blanchett - were wooed by several designers at once and, as is customary, they had more than one Oscar night outfit prepared or had it 1996. Instead of wearing the dress Vera Wang had, in 1995, designed for her. (One famous example showed up in a plain black Gap T-shirt paired with trumpet skirt by Valentino and a silk Armani coat, which she herself had put together at the last minute a star's prerogative.

Getting their clothes in front of the Oscar-night cameras may be worth \$1m worth of advertising -

a cost of a 30-second spot on the show - but the designers have paid in other ways, throughout the year, for that privilege.

A West Coast infrastructure of publicists and representatives, planted by European designers, now cultivates actors' and stylists' attention to ensure top product placement. Designers spend as much as \$400,000-\$600,000, according to Patrick McCarthy, editorial director of W magazine, making Oscar-titular clothes available for viewing and borrowing or the big night. Valentino, Calvin Klein and Escada, among others, customise gowns for stars - now a prerequisite for Awards nominees.

Los Angeles did not become a fashion destination until the late Eighties, when Giorgio Armani lethally launched a coup on Hollywood. By then, fashion designers born of the ready-to-wear boom of the Seventies had acquired enough financial clout and star status of their own to play Hollywood's name. Leaving nothing to chance as he built up his West Coast retail operation, Armani cultivated the right social contacts by hiring Wanda McDaniell, the wife of a producer on *The Godfather*, as his publicist. She remains the linchpin of his West Coast operation. His *Godfather* connection dates from 1982, when Jay Cosi, a childhood friend of Martin Scorsese and Robert De Niro, wrote a *Time* magazine cover story on Armani; subsequently all those people became friends.

More seductive than his personal charms, however, Armani's clothes made actors an offer they couldn't refuse: they promised to keep the wearer from looking ridiculous. As a result, he maintained a monopoly on costumeing the Oscar presenters for while - until Versace, Dolce & Gabbana et al gained some ground.

Simultaneously to Armani's beachhead, Alan Carr, then the producer of the Awards ceremony decided that the show could do with a fashion make-over. Eleven years ago he asked Fred Hayman, retailer at the recently defunct emporium Fred Hayman of Beverly Hills, and creator of Giorgio perfume, to select Oscar-worthy clothes from European and American collections and makes them available on loan to presenters and nominees. At the time, says Hayman, "the fashion being worn was boring and unmeaning to the Oscars." Hayman is still the official co-ordinator of Oscar fashion, even if he has now come somewhat eclipsed by the star designers and their media machinery, and he continues to stage a large, pre-Oscar fashion show for the press, and to display and lend clothes to presenters and nominees. This year he attempted to ban black in favour of "princess" pastel tones.

The object is to look like a confection that the camera could devour - with tulle underskirts and delicate wraps, ballerina skirts, beaded tops and metallic colours. The trouble with the new prettiness, say fashion-lovers, is that it doesn't allow for extremes. Rita Watnick, owner of the vintage couture shop Lilly el Cie, where stars often stop for the Oscars and other awards events, observes: "Sometimes when you look back, the person you see is Oscars and other awards event, observes: sometimes wasn't well-dressed may have looked great but been trying something fabulous." Criticised for wearing cycling shorts one year, beneath a black velvet bustier and skirt, Demi Moore was apparently inspired to state in fashion-speak "inspired from the Renaissance and empire period. It was fabulous," Watnick says. Entertainment, yes - but the media just wasn't ready for it.



Minnie Driver, 1998. Stylist Jessica Paster scored with this ruby-red jersey Halston dress



Uma Thurman, 1995. A hit Prada as evening-wear proved to be perfectly understated



Madonna, 1988, in a Jean Paul Gaultier skirt and an Olivier Theyskens top. A designer clas



Barbra Streisand. Back in the 1970s, a girl could get away with transparent pyjamas. Fabulous

Why Irish culture leads by a head

In just a few decades Ireland, once almost a byword for parochialism, has become a world-beating brand name in contemporary music, film, theatre, comedy and literature. How did this happen? By Phil Johnson

On the Saturday before last, more than 250,000 people filled Dublin's city centre for what was billed as Europe's biggest ever fireworks display. The event, which was part of the city's week-long St Patrick's Festival and followed on from a grand unveiling of the Millennium Big Drum (the biggest drum in the world), could be seen as a moment of triumphalism for Irish culture. In Ireland these days, however, triumphalism is hard to avoid, for signs of the country's cultural resurgence are everywhere.

After the fireworks, revellers could go home and watch an RTE broadcast of the chart-topping Irish pop group The Corrs at the Albert Hall, or stop off at one of the dozens of city-centre pubs that feature traditional music. In the teeming bars of the Temple Bar district - which locals say is being ruined by the incursions of rowdy English stag-parties - Dublin has even created its own version of New Orleans' French Quarter, where tourists can enjoy a kind of Celtic theme-park experience.

The incredible success of The Corrs - whose second album has sold more than three million copies in the UK alone, and pulled their debut recording into the charts along with it - is just the latest chapter in the remarkable story of Irish popular music's rise to international fame. For two decades now, from U2 to Boyzone, with the Cranberries fitting in between, a small country whose pop traditions once amounted to little more than a baffling weakness for showbands has become a world leader.

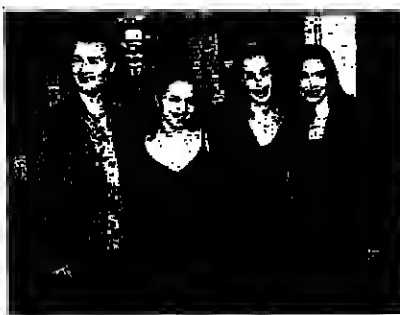
Add to this the revival of all things Celtic, including "traditional" music in various forms, the *Riverdance* phenomenon and the continued success of Irish film-making, comedy, literature and theatre, and the swaggering confidence of the St Patrick's Festival can begin to be understood. Even without considering the dubious benefits of the Irish theme-pub craze, where putting a bran-tub in the window and having a couple of workaday musicians sing "Brown-Eyed Girl" every other night is sufficient to create a mythic version of a County Clare hostelry, there's no denying that all things Irish have become more popular than ever before in the UK and abroad. Despite this success, there are still murmurs of dissatisfaction at home. On the same day as the fireworks show, Dublin's *Evening Herald* newspaper included a front-page story complaining that the contenders for the Irish entry in this year's Eurovision Song Contest were not up to scratch. There were accusations that RTE was deliberately staging a "pathetic" EuroSong because the station did not want to win yet again.



The luck of the Irish: Father Ted and The Corrs

It's against this background that "From the Heart", the Barbican Centre's second festival of Irish music and culture, takes place. Over the next two weekends there are concerts and events covering music, dance, literature, comedy and film, together with a series of workshops and lectures. Its focus has also widened to include the traditions of Northern Ireland, with Seamus Heaney reading his poetry (accompanied by the uilleann piper Liam O'Flynn), and songs and stories from the legendary folk-revivalist Tommy Makem with Davy Hammond and Arty McGlynn.

For Ted Barrington, Ireland's Ambassador to Great Britain, the reasons behind the rise of Irish music and culture are many and varied. "On the musical front, a complex of things have contributed to international success," he says. "On the one hand, there's a long, vernacular, tradition of music in Irish life, and not just in highbrow life, but in the day to day practice of music at home and in local communities. The influence of Irish traditional music also fed into the culture in the Sixties, along with the examples of American musicians like Bob Dylan, and the indigenous showband scene, which was a rural phenomenon. The cross-fertilisation between all these categories has been hugely important."



The luck of the Irish: Father Ted and The Corrs

Contemporary Irish music also reflects widespread changes in Irish society, where half of the population is now under 30, and almost a third under 25. "The degree of social change taking place, partly through demography, has meant that along with youth culture has come a climate of experimentation and the working-out of ideas about what it means to live in Ireland today," says Barrington. "In the Seventies and Eighties, there was a huge outflow of emigrants, but now more people are returning than leaving, especially from the USA and Canada, and they bring an international pop culture back with them."

For the social historian Reg Hall, however, Irish music isn't what it was. Hall is giving an illustrated lecture at the Barbican on Saturday entitled "Paddy in the Smoke", which will look at the heyday of Irish music in London in the Fifties and Sixties. "The music in the pub scene of London then was a transplantation of rural music from the West of Ireland, and it began after the war as a new phenomenon, for traditional music was never

played in Irish pubs at that time," Hall says.

"What you had then was tens of thousands of Irishmen living in London, mostly from the rural West and South. As mainly labourers working on the building sites, they evolved a whole social system in the Irish settlements of Kilburn, Paddington, Kenish Town and Dalston, and also in Hammersmith and Fulham, where they colonised run-down pubs. In those days, none of the Irish professionals working for Aer Lingus or the Irish banks would be seen dead there, for they regarded the musicians as louts. It was instrumental music, with fiddle, flute and accordion, and piano and drums added if it was a dance. There was no guitar, never mind a bouzouki, and the name "bodhran" hadn't even been coined. It was still a tambourine."

For Hall, the tradition of Irish music is comparable to that of American blues, with both forms suffering a similar dilution of their original power through commercialisation. "The original gutsy music that the Irish played was like Blind Lemon Jefferson or Leadbelly. Now, Irish music has been taken up by the middle-classes both at home and abroad and you can even go to Irish set-dancing holidays in Spain."

Hall is not nostalgic about the past, however. "The tradition of Irish music in London has been lost because the environment for it has gone," he says. "It couldn't survive once everyone was settled in houses, got married and had kids and stopped going to the pub every night. As a historian, I realise it was inevitable, and it's like the Great War: you might want to study it, but that doesn't mean you want it back."

From the Heart is at the Barbican, London EC2 (0171-638 8891) 27-28 Mar and 3-5 Apr

Feed me till I want no more

HANSEL & GRETEL is about forests and witches, step-mothers and (at least in Humperdinck's opera) angels. But chiefly it's about food and cookery - Hansel probably ranks with Oliver Twist as the hungriest boy since the Prodigal Son. So Richard Jones is bang right to feed his chefs and tables and plates and, above all, mouths, in his production for Welsh National Opera.

He and his designer John Macfarlane make stunning capital out of this perhaps obvious theme. The grey Mother Hubbard emptiness of the family's kitchen triggers off the hungry fantasies of a dream sequence in which the children understandably see cooks and a fish-footman instead of angels, and Humperdinck's cloud-staircase turns into a fully laid dinner table. The drop curtains, a knife, fork and empty blood-

OPERA
HANSEL & GRETEL
NEW THEATRE
CARDIFF

stained plate, and a cavernous open mouth, uterine but with teeth, form a ghastly prelude to the still hungrier menace of the witch's kitchen - all steel gadgets, and by no means innocent of a quite different sort of physical need.

But if all this is supposed to tell us that starving in a primeval forest is merely a symbol of sexual awakening, the point is mercifully not laboured. On the contrary, Imelda Staunton (Hansel) and Linda Kitchen (Gretel) make a pair of superbly gangly, unself-aware 11-year-olds. They are fresh, awkward, slightly wild in their clapping games and touchingly wide-eyed, as the chef-angels conduct them

to either end of the festive board. And when it comes to cooking supper for the witch - a ghoulishly masculine, vestigially paedophile cameo by Nigel Robson, the youngsters are childishly practical, perhaps remembering their mother's admonitions from act one.

This dazzling treatment is not without its musical problems. It's as well that the action is self-explanatory, since few words of David Pountney's witty translation reach the dress circle. And though Humperdinck - with his relish for orchestral in-fill and his Wagnerian love of horns and middle-range strings - always challenges vocal projection, the conductor Vladimir Jurowski could do more to ease the problem. In the end a tenor witch is a musical error, since the orchestra covers the register he inhabits.

Nonetheless, this is musi-

cally as well as theatrically an invigorating evening. Kitchen and Drumm - though their names sound like a percussion co-operative - sing with appealing warmth and delicacy. Robert Poulton brings a certain drunken intensity to their father's account of the witch-infested forest, and Mary Lloyd-Davies is a strong mother who one could wish had more to sing.

Mary-Louise Aitken plays the Dew Fairy, a shade modishly, as the morning washer-up. The gingerbread children, from the Giant's Welsh Comprehensive School, sing sweetly, and Jurowski has the virtues of his excess strength, getting sumptuous orchestral playing and a solid ensemble.

STEPHEN WALSH
Birmingham Hippodrome to-morrow (0121-622 7486) and touring to 15 April. Information from WNO (01222 464666)

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winsome surface of Schubert's A major Sonata, D664 and, understandably, sounded unsettled in the opening movement. Yet he was very natural in Schubert's six *Impromptus*. Some pianists would have relaxed into them and projected character more broadly. Yet Tharaud's disciplined view allowed them to be tender and touching and he was quite vigorous, though not very fast, in the penultimate piece.

His programme was nicely planned, not too long, and he ended with four of Chabrier's *pièces pittoresques*. These elusive but much admired pieces refuse to do what you expect, and it's a self-effacing pianist

that plays them, though Tharaud chose the rollicking "Scherzo-valse" to end, so he was pretty sure of a good round of applause.

Not surprisingly, since she's far more experienced than either of the young Frenchmen, Imogen Cooper showed much more complete awareness of the expressive depths, as well as the formal significance, of everything she played at the Queen Elizabeth Hall on Sunday afternoon. She is not necessarily a better equipped pianist in a technical sense - there was a degree of vulnerability and her tone could be brittle under pressure - yet she met the challenge of the final section in Chopin's fourth *Balade* with fearless bravura. And while she did nothing exactly ravishing in the Scherzo or slow movement of Chopin's B minor Sonata, she had clearly planned the whole work as a

journey, and shaped the finale with as much attention to detail and certainty of purpose as any pianist I can recall.

She also showed a vivid feeling for atmosphere and colour in Debussy's *Estampes*, in which the piano dissolves in suggestions of a gamelan, or guitars, or the sound of rain. And in four pieces from Albeniz's *Iberia*, she relished dissonant crunches and incisive rhythms with infectious enjoyment. What's more, she negotiated the unplayably far-fetched textures of "El Corpus en Sevilla" stylishly.

In Debussy's *L'Isle joyeuse* it's always hard to escape the feeling of a succession of technical hurdles (Ravel criticised it for sounding like a transcription of an orchestral piece), but if Cooper was a little short of its final sense of abandon, she got pretty close. ADRIAN JACK

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Wilde at heart

THEATRE
GROSS INDECENCY
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TO CAST Michael Pennington as Oscar Wilde would, on the grim face of it, seem about as sensible as hiring a cactus to pose as an overripe melon or engaging Stephen Fry to create a definitive Oliver Cromwell. Playing Wilde now at the Gielgud Theatre, Pennington does, indeed, often give the impression that here is a man who would have been happier penning and improving a Temperance tract than in composing *The Picture of Dorian Gray*.

What is heartening is how little this matters, for the arrangement of the material is so intelligent and compelling, and the Brechtian presentational style adopted is so apt and penetrating, that *Gross Indecency: The Trials of Oscar Wilde* triumphantly rises above the rather empty exhibition of acting skill at its centre.

A big hit in New York, this play by Moises Kaufman now arrives in London in a fluent, incisive production by its author. The present tense of this ar-

resting drama may take a chronological journey through Wilde's successive courtroom ordeals from the disastrously rebounding libel suit against the Lord Queensberry to the final conviction. The excellence of the piece, though, lies in the way Kaufman opens it up with flashbacks and flashes-forward that produce telling juxtapositions and discordances, and with running cultural commentaries from then and now. The event is like a cross between courtroom drama and a fascinating kinetic mosaic produced by some cultural studies department. Fractured and increasingly phantasmagoric, with the cast transformed into our contemporaries, the play has found the perfect form for encompassing Wilde in all his complex contradictoriness and

tantalising capacity to anticipate modern preoccupations.

He is, for example, an ambiguous icon for the modern gay movement in that, at his trial, he flatly denied his homosexual activities. It's typical of *Gross Indecency* that it addresses this issue by including a spoof interview with a trendy academic who floats the interesting notion that ironically, but for this trial, there might not be a modern gay movement since it was the original, for good and bad, of people being defined and defining themselves by their sexuality and it fixed in the public mind a limiting definition of what a homosexual is. It's possible that, with his love of perverse, pointed paradox, Wilde would have thought the phrase "gay liberation" a contradiction in terms. It's the strength of *Gross Indecency* that it airs these nebulous problems of identity at the same time as pinning down the disgusting politics behind Wilde's suffering. The play movingly shows how



Michael Pennington as Oscar Wilde

Geraint Lewis

he was used as a lightning conductor to deflect attention from a Liberal Government itself rife with what, in their cases, one might call the lust that dared not speak its name.

Superbly played, the unedifying line-up of male prostitutes who were paid by the Crown to

give evidence against Wilde (ribbed ironically more corrupting than any Oscar pressed on them) also double as jury-men, narrators, female whores and dignitaries such as George Bernard Shaw and Frank Harris. Occasionally, they remind you of Esther Rantzen's young

male co-presenters on the late, unlamented *That's Life*. In fact, all this play lacks is a "funny" phallic vegetable. PAUL TAYLOR
Booking: 0171-494 5063. A version of this review appeared in later editions of yesterday's paper